

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED  
AUG 22 4 28 PM '97

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO  
TESTIMONY AND EXHIBITS OF WITNESS TAYMAN (USPS-T-9), EXHIBITS OF  
WITNESS PATELUNAS (USPS-T-15), EXHIBITS AND WORKPAPERS OF  
WITNESS O'HARA (USPS-T-30), TESTIMONY AND WORKPAPERS OF WITNESS  
NEEDHAM (USPS-T-39), AND LIBRARY REFERENCES H-107, 206 and 214  
(August 22, 1997)

The United States Postal Service hereby provides notice that it is today filing errata to the testimony and exhibits of witness Tayman (USPS-T-9), the exhibits of witness Patelunas (USPS-T-15), the exhibits and workpapers of witness O'Hara (USPS-T-30), the testimony and workpapers of witness Needham, and Library References H-107 and 206. Revised testimony, exhibit, workpaper and library reference pages are attached to this Notice. In some instances, the revised pages are highlighted to denote the changes and, in some instances, summary pages list the changes. Revised diskettes for Library References H-107, 206 and 214 also are being filed.

The revisions to witness Tayman's testimony and exhibits (USPS-T-9) and the revisions to witness Patelunas's exhibits (USPS-T-15) consists of corrections to various before and after rates cost and revenue figures resulting from witness O'Hara's changes.

The errata to witness O'Hara's exhibits and workpapers (USPS-T-30) consist of changes to conform to the data originally filed by witnesses Sharkey (USPS-T-

33), Taufique (USPS-T-34), and Tolley (USPS-T-6); to incorporate changes resulting from the errata of other witnesses affecting Classroom Periodicals and a number of Special Services; and to provide additional detail on a number of cost and volume adjustments made by pricing witnesses. A supplementary diskette of witness O'Hara's revised exhibits and workpapers is being filed for inclusion in Library Reference H-214.

The revisions to the testimony of witness Needham (USPS-T-39) include minor wording corrections, and cost coverage changes for certified mail, money orders, and on-site meter setting. The errata to the workpapers of witness Needham concern certified mail (to reflect a TYAR volume correction and resulting impacts on revenue and cost coverage), money orders (to reflect a revised TYAR revenue), on-site meter setting (to reflect small cost revisions), and post office box and caller service (to reflect the caller service count errata filed by witness Lion on August 14, 1997). A new diskette of witness Needham's testimony and workpapers is being filed for Library Reference H-206.

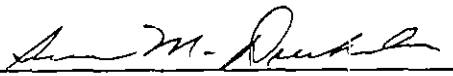
The revisions to Library Reference H-107 (Special Service Cost Study Updates) include changes to the number of separations, and the footnotes, used in the caller service cost study update, the wording used in the ZIP Coding of mailing list cost update, and the summary pages. While the results of the cost study updates do not change, incorrect reporting of the results for caller service and on-site meter setting in the summary pages is corrected.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

A handwritten signature in dark ink, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990; Fax -5402  
August 22, 1997

ERRATA -- TAYMAN (USPS-T-9)

estimates from DRI served as the basis for computation of cost of living adjustments (COLA) for Fiscal Year 1997 and the Test Year under the existing agreements affecting bargaining unit employees.

Major indices used in this case are summarized in the Table 14. A more detailed list of the indices used, along with the specific factors for Fiscal Year 1997 and the Test Year, can be found in Chapter IX Library Reference H-12.

**Table 14**  
Selected DRI Forecast Factors  
(Percent Change From Previous Year)

	FY 1996	FY 1997	Test Year
CPI-W <sup>15</sup>	2.77	2.91	2.61
CPI-U <sup>16</sup>	2.79	2.91	2.70
Supplies & materials	1.41	0.62	0.19

### C. Revenue Requirement

The Test Year revenue requirement is presented in the same cost segment format employed in the testimony of witness Patelunas. The total revenue requirement is the sum of accrued costs for nineteen (19) cost segments, plus final adjustments calculated outside the rollforward model, a provision for contingencies, and an amount for recovery of prior years' losses. Test Year revenue requirements before and after rates are:

**Table 15**  
Test Year Revenue Requirement  
(\$ 000)

	Before Rates	After Rates
Total Cost Segments	60,766,222	60,690,121
Final Adjustments	53,245	(126,485)
Provision for Contingencies	608,195	605,636
Recovery of Prior Years' Losses	446,933	446,933
Total Revenue Required	61,874,595	61,616,205

<sup>15/</sup> CPI-W is the Consumer Price Index for all Urban Wage Earners & Clerical Workers

<sup>16/</sup> CPI-U is the Consumer Price Index for all Urban Consumers.

contingencies has been included in the Test Year. The amounts included are **\$608.2** million in the Test Year before rates and **\$605.6** million in the Test Year after rates. These amounts are equal to one percent of the total segment expense including final adjustments.

This is less than the two percent included in the last omnibus rate case and significantly less than the three and one-half percent included in the previous several cases. The one percent included in this case represents the Postal Service's desire to keep rate increases as low as possible and below the level of growth in general inflation. In the abstract, such a low contingency might not be judged reasonable as protection against unforeseen events and forecasting errors, given the magnitude of the Postal Service's operations and expenses. In the context of current circumstances, however, including recent financial success, the current favorable economic climate, and management's concern about the effect of the contingency on rate levels, I believe that one percent will provide a reasonable provision for contingencies in the test year in this case. This conclusion does not represent a permanent change in management's judgment concerning the level of coverage generally necessary to protect against unforeseen events and forecasting errors. In different circumstances in the future, it may very well be necessary to return to the higher levels of contingency historically deemed prudent to provide the protection intended by the provision for contingencies.

In deference to the Commission's desire to evaluate forecast errors and their sources, I have included historical variance analyses similar to those included in past filings. Pages 3 and 4 of my Exhibit 9J reflect the results of applying the two sets of historical weighted average cost and revenue variances calculated on pages 1 and 2 of USPS Exhibit 9J, to Docket R97-1 Test Year after rates cost and revenue estimates. This produces hypothetical Test Year variances ranging from -0.2 percent, or \$-150 million to 3.5 percent, or \$2.1 billion.

I believe historical variance analyses should not be the basis for determining the need for a contingency or its size. No matter what results a historical

#### IV. REVENUES BEFORE AND AFTER RATES

The three sources of postal revenues are operating revenue, appropriations, and interest income. Table 54 provides total revenues, actual and estimated through the Test Year:

**Table 54**  
Total Revenues  
(\$ 000)

FY 1996	56,543,739
FY 1997	57,891,310
Test Year before rates	<b>59,427,612</b>
Test Year after rates	<b>61,651,846</b>

#### A. Mail and Special Services Revenues<sup>22</sup>

The mail classes, together with special and other services provided to the public, yield the largest portion of total operating revenues. The derivation of mail and special services revenue is explained in the testimony and workpapers of each of the individual pricing witnesses and summarized in the Testimony of witness O'Hara (USPS-T-30).

Revenues for mail and special services through the Test Year are shown in the following table:

**Table 55**  
Mail and Special Services Revenue  
(\$ 000)

FY 1996	56,308,997
FY 1997	57,707,664
Test Year before rates	<b>59,326,758</b>
Test Year after rates	<b>61,529,977</b>

<sup>22</sup> Volumes by class of mail and the attendant revenues for FY's 1996, 1997, and the Test Year before and after rates are shown in my Exhibits 9C and 9D. The development of volume estimates is included in the testimonies and workpapers of witnesses Tolley, Thress, and Musgrave (USPS-T-6, 7, & 8). After rates volume adjustments that result from market research or special studies are explained in the testimony of the appropriate pricing witness and are summarized in the Testimony of witness O'Hara (USPS T-30).

V. TEST YEAR REVENUE DEFICIENCY

The Postal Service's total revenue deficiency in the Test Year at present rates would be approximately **\$2.447** billion. Changes in postal rates and fees proposed in this filing will eliminate the deficiency as illustrated below:

**Table 58**  
Test Year Revenue Deficiency <sup>25</sup>  
(\$ 000)

<b>Present Rates</b>	<b>Test Year</b>
Total Revenue Requirement <sup>26</sup>	<b>61,874,595</b>
Less: Total Revenue <sup>27</sup>	<b>59,427,612</b>
<b>Total Revenue Deficiency</b>	<b>2,446,983</b>
<b>Proposed Rates</b>	
Increase in Revenue	<b>2,224,235</b>
Decrease in Revenue Requirement	<b>258,390</b>
<b>Change in Revenue Deficiency</b>	<b>2,482,625</b>
<b>Revenue Surplus (Deficiency)</b>	<b>35,642</b>

<sup>25/</sup> An analysis of changes in income and expenses comparing before and after rates is included in my Exhibit 9H.

<sup>26/</sup> From Table 15, the Test Year revenue requirement before and after rates reflects, total accrued cost segment expense, final adjustments, contingency and recovery of prior years' losses.

<sup>27/</sup> From Table 54, revenues for the Test Year at present rates.

The financial impact of present and proposed rates in the Test Year, as represented in the equity section of the balance sheet, is demonstrated in Table 59.

**Table 59**  
Analysis of Changes in Equity <sup>28</sup>  
(\$ 000)

	FY 1997	Test Year	
		Before Rates	After Rates
Beginning Balance	(2,623,500)	(1,987,941)	(1,987,941)
Net Income/(Loss)	635,559	(2,000,050)	482,574
Ending Balance	(1,987,941)	(3,987,991)	(1,505,367)

<sup>28/</sup> The contingency is included and the prior year loss recovery is excluded from test year costs when determining net income (loss) and equity.

**STATEMENTS OF REVENUE AND EXPENSE**  
**(\$ IN MILLIONS)**

USPS 9A

LINE NUMBER		FY 1998 ACTUAL	FY 1997 ESTIMATE	TEST YEAR B/R	TEST YEAR A/R
	<b>REVENUES</b>				
1	OPERATING REVENUE	58,309.0	57,707.7	59,328.8	61,530.0
2	APPROPRIATIONS	93.1	83.4	87.3	87.5
3	INTEREST INCOME	141.7	100.2	33.8	54.4
4	<b>TOTAL REVENUES</b>	<b>58,543.7</b>	<b>57,891.3</b>	<b>59,427.8</b>	<b>61,651.8</b>
	<b>OPERATING EXPENSES</b>				
6	POSTMASTERS	1,884.5	1,868.9	1,714.8	1,712.8
8	MANAGERS, SUPERVISORS & TECHNICAL PERSONNEL	3,281.0	3,355.6	3,514.7	3,517.9
7	CLERKS & MAILHANDERS	18,458.1	17,082.7	17,707.5	17,759.8
8	CLERKS, CAG K POST OFFICES	9.3	9.7	10.1	10.1
9	CITY DELIVERY CARRIERS	11,481.5	11,818.3	11,987.7	11,980.5
10	VEHICLE SERVICE DRIVERS	410.3	433.6	452.8	449.0
11	SPECIAL DELIVERY MESSENGERS	105.8	109.7	115.1	114.1
12	RURAL CARRIERS	3,377.1	3,575.8	3,730.8	3,721.8
13	CUSTODIAL & MAINTENANCE SERVICES	2,113.8	2,188.9	2,310.8	2,315.7
14	MOTOR VEHICLE SERVICES	601.4	619.3	648.6	648.0
15	MISCELLANEOUS LOCAL OPERATIONS	273.4	279.1	291.7	291.8
16	CONTRACTURAL TRANSPORTATION OF MAIL	3,757.7	4,112.7	4,384.7	4,328.5
17	BUILDING OCCUPANCY	1,299.7	1,412.2	1,540.7	1,540.7
18	RESEARCH & DEVELOPMENT	55.5	54.2	57.2	57.2
19	EQUIPMENT MAINT. & MANAGEMENT TRAINING SUPPORT	35.7	38.4	39.0	39.0
20	SUPPLIES & SERVICES	2,398.9	2,707.1	3,529.8	3,531.4
21	HQ & AREA ADMIN. & CORPORATEWIDE PERSONNEL COSTS	4,338.5	4,188.3	4,595.7	4,595.7
22	DEPRECIATION, WRITE-OFFS, CLAIMS, & INTEREST	3,338.9	3,847.3	4,155.5	4,098.9
23	SUBTOTAL	10,074.3	10,520.7	12,280.9	12,225.9
24	FINAL ADJUSTMENTS			53.2	(128.5)
25	<b>TOTAL ACCRUED COSTS</b>	<b>54,978.8</b>	<b>57,255.7</b>	<b>60,819.5</b>	<b>60,563.6</b>
	NET INCOME (LOSS)	1,567.2	535.6	(1,391.9)	1,088.2
26	CONTINGENCY			608.2	805.8
	NET INCOME (LOSS) WITH CONTINGENCY			(2,000.1)	482.8
27	RECOVERY OF PRIOR YEAR LOSSES			448.9	448.9
28	<b>TOTAL REVENUE REQUIREMENT</b>			<b>61,874.8</b>	<b>61,618.2</b>
29	NET SURPLUS (DEFICIENCY)			(2,447.0)	35.8

NOTE: NUMBERS MAY NOT ADD DUE TO ROUNDING

**Mail and Special Services Revenue**  
**Fiscal Year 1996 - Test Year**  
**(Dollars in Millions)**

USPS 9D

Line No.	Class	1996 Actual	1997 Estimate	Test Year Before Rates	Test Year After Rates
1	First Class	33,117	33,190	33,728	34,704
2	Priority	3,321	3,754	3,979	4,353
3	Express Mail	737	779	833	841
4	Mailgrams	2	6	5	5
5	Periodicals	2,014	2,048	2,060	2,126
6	Standard Mail (A)	12,175	12,816	13,500	13,879
7	Standard Mail (B)	1,524	1,576	1,633	1,712
8	U.S.Postal Service	0	0	0	0
9	Free for the Blind	0	0	0	0
10	International	1,649	1,542	1,626	1,644
11	Total Mail Revenue	54,538 1/	55,710	57,363	59,263
12	Special Services	1,554 1/	1,783	1,748	2,050
13	Other income	452	399	316	339
14	Total Revenue	56,544 2/	57,891	59,428	61,652

1/ FY 1996 RPW Report revised 4/18/97

2/ 1996 Annual Report of the USPS

REVENUE REQUIREMENT SUMMARY  
ANALYSIS OF INCOME AND EXPENSES  
(\$ 000)

Line No.	Prefiling (Before Rates)	Test Year Estimate
1	Revenue	
2	Mail and Special Services	59,326,758
3	Appropriations	67,274
4	Interest Income	33,580
5	Total	59,427,612
6	Total Revenue Requirement	61,874,595
7	Net Surplus (Deficiency)	(2,446,983)
	<u>With Proposed Rates</u>	
8	Revenues and Operating Receipts:	
9	Mail and Special Services	61,529,978
10	Appropriations	67,498
11	Interest Income	54,371
12	Total	61,651,847
13	Total Revenue Requirement	61,616,205
14	Net Surplus (Deficiency)	35,642
	<u>Change from Prefiling to Proposed Rates</u>	
15	Changes in Revenue:	
16	Revenue increase from proposed rates (with volume at before rate levels)	2,309,980
17	Increase in special services revenue	301,723
18	Increase in interest income	22,502
19	Subtotal	2,634,205
20	Revenue loss from decrease in volume	(410,194)
21	Subtotal	2,224,011
22	Increased revenue from revenue forgone appropri	224
23	Increase in revenue	2,224,235
	Changes in Costs:	
23	Decrease in costs from lower mail volume	(2,268)
24	Decrease in final adjustments	(179,730)
25	Decrease in interest on debt	(56,000)
26	Decrease due to increase in workyear mix adjust	(4,261)
27	Decrease in provision for contingencies	(2,559)
28	All other changes	(13,572)
29	Decrease in costs	(258,390)
30	Net change in revenues and costs	2,482,625
31	Net Surplus (Deficiency)	35,642

USPS 9J

Page 3 of 4

1

2

3

4

5

6

7

8

9

10

11

12

13

15

16

17

18

19

20

19

20

**APPLICATION OF HISTORICAL WEIGHTED AVERAGE  
PERCENTAGE COST VARIANCES TO TEST YEAR ESTIMATES  
(\$ THOUSANDS)**

	<u>COST SEGMENT</u>	<u>TEST YEAR ESTIMATE</u>	<u>WEIGHTED 1/ AVG. % VAR.</u>	<u>IMPLIED TEST YEAR VARIANCE</u>
	1	1,712,615	5.2588	90,063
	2	3,517,945	13.2300	465,425
	3	17,759,605	1.4435	255,357
	4	10,073	1.9079	192
	6 & 7	11,960,532	1.4905	178,268
	8	448,972	5.8495	26,263
	9	114,111	(1.6061)	(1,833)
	10	3,721,604	2.0101	74,809
	11	2,315,717	(0.6313)	(14,619)
	12	647,994	7.2356	46,887
	13	291,625	10.7540	31,361
	14	4,326,522	0.0974	4,216
	15	1,540,685	(7.8968)	(121,665)
	17	57,201	(21.9191)	(12,538)
	19	38,973	100.0746	39,002
	16 2/	3,531,395	-	-
	18 2/	4,595,701	-	-
	20 2/	4,098,851	-	-
	Subtotal 2/	12,225,947	(8.7850)	(1,074,052)
	Final Adjustments	(126,485)	0.0194 5/	(25)
	<b>TOTAL COST</b>	<b>60,563,636</b>		<b>(11,888) 3/</b>
	<b>REVENUES</b>	<b>61,651,846</b>	<b>0.2248</b>	<b>138,567 4/</b>
	<b>TOTAL FAVORABLE VARIANCE</b>			<b>(150,455)</b>

17

18

19

20

**TOTAL AS PERCENTAGE OF TOTAL  
PROJECTED TEST YEAR COSTS -0.2%**

1/ COMPUTATION OF WEIGHTED AVERAGE PERCENTAGE COST AND REVENUE VARIANCES IS  
SHOWN IN EXHIBIT USPS-9J PAGE 1 OF 2.

2/ ACCOUNT RECLASSIFICATIONS MADE IN FY 95 HAD A MATERIAL EFFECT ON SEGMENTS 16, 18,  
AND 20. INDIVIDUAL FY 95 PERCENTAGE VARIANCES FOR THESE SEGMENTS ARE NOT  
MEANINGFUL. WEIGHTED AVERAGE PERCENTAGE VARIANCES ARE APPLIED IN TOTAL FOR  
THESE 3 SEGMENTS ONLY.

3/ ACTUAL EXPENSE LOWER THAN ESTIMATED

4/ ACTUAL REVENUE HIGHER THAN ESTIMATED

5/ OVERALL COST VARIANCE APPLIED TO FINAL ADJUSTMENTS

USPS 9J

Page 4 of 4

**APPLICATION OF HISTORICAL WEIGHTED AVERAGE  
PERCENTAGE COST VARIANCES TO TEST YEAR ESTIMATES  
(\$ THOUSANDS)**

	COST SEGMENT	TEST YEAR ESTIMATE	WEIGHTED 1/ AVG. % VAR.	IMPLIED TEST YEAR VARIANCE
5	1	1,712,615	(1.5834)	(27,117)
	2	3,517,945	3.4075	119,875
6	3	17,759,605	3.8534	684,342
	4	10,073	(24.0347)	(2,421)
7	6 & 7	11,960,532	1.1162	133,509
	8	448,972	2.7027	12,135
8	9	114,111	(3.6818)	(4,201)
	10	3,721,604	5.0654	188,513
9	11	2,315,717	(4.5383)	(105,094)
	12	647,994	(1.0583)	(6,858)
10	13	291,625	12.5561	36,617
	14	4,326,522	2.0708	89,594
11	15	1,540,685	(1.0672)	(16,442)
	17	57,201	30.6342	17,523
12	19	38,973	31.7457	12,372
	16 2/	3,531,395	-	-
13	18 2/	4,595,701	-	-
	20 2/	4,098,851	-	-
	Subtotal 2/	12,225,947	4.1954	512,923
	Final Adjustments	(126,485)	2.6206 5/	(3,315)
15	TOTAL COST	60,563,636		1,641,956 3/
16	REVENUES	61,651,846	(0.7398)	(456,080) 4/
	TOTAL UNFAVORABLE VARIANCE			2,098,036

**TOTAL AS PERCENTAGE OF TOTAL  
PROJECTED TEST YEAR COSTS**

**3.5%**

1/ COMPUTATION OF WEIGHTED AVERAGE PERCENTAGE COST AND REVENUE VARIANCES  
IS SHOWN IN EXHIBIT USPS-9J PAGE 2 OF 2.

2/ ACCOUNT RECLASSIFICATIONS MADE IN FY 95 HAD A MATERIAL EFFECT ON SEGMENTS 16, 18,  
AND 20. INDIVIDUAL FY 95 PERCENTAGE VARIANCES FOR THESE SEGMENTS ARE NOT  
MEANINGFUL. WEIGHTED AVERAGE PERCENTAGE VARIANCES ARE APPLIED IN TOTAL FOR  
THESE 3 SEGMENTS ONLY.

3/ ACTUAL EXPENSE HIGHER THAN ESTIMATED.

4/ ACTUAL REVENUES LOWER THAN ESTIMATED.

5/ OVERALL COST VARIANCE APPLIED TO FINAL ADJUSTMENTS

Net Income (Loss)  
GAP From Equity Restoration Target  
(\$millions)

1	2	3	4	5
Fiscal Year	Actual or Estimate	Needed to Meet BOG Target	Over/(Under) Actual/Estimate	Cumulative Amt. Over/(Under)
1994	(914)	(1,344)	430	430
1995	1,770	936	834	1,264
1996	1,567	936	631	1,895
1997	636	936	(300)	1,595
1998 1/	(1,392)	936	(2,328)	(433)
1998 2/	(2,000)	936	(2,936)	(1,341)

Column 2 - FY 94 - 96 are actual results reflected on Exhibit 9L. FY 97 & 98 are before rates estimates reflected on Exhibit 9A.

Column 3 - Reflects R94-1 Decision. FY 95 - 98 reflects annual average net income needed to meet target.

1/ Excludes contingency

2/ Includes contingency

Summary of Changes in Accrued Costs by Source  
\$ in Millions

	Fiscal Year 1997			Test Year Before Rates			Test Year After Rates		
	Amount	Percent of		Amount	Percent of		Amount	Percent of	
		Prior Yr.	Total Chg.		Prior Yr.	Total Chg. 1/		Prior Yr.	Total Chg. 1/
Prior Yr. Cost	54,976.6			57,255.8			57,255.8		
Cost Level	1,218.3	2.2%	53.5%	976.7	1.7%	27.4%	976.7	1.7%	29.5%
Mail Volume Effect	711.7	1.3%	31.2%	742.4	1.3%	20.8%	740.2	1.3%	22.4%
Non-Volume Workload	114.6	0.2%	5.0%	142.8	0.2%	4.0%	142.8	0.2%	4.3%
Additional Workday	(8.2)	0.0%	-0.4%		0.0%	0.0%		0.0%	0.0%
Cost Reductions	(745.0)	-1.4%	-32.7%	(917.5)	-1.6%	-25.7%	(931.0)	-1.6%	-28.1%
Other Programs	1,101.4	2.0%	48.3%	2,597.9	4.5%	72.9%	2,541.9	4.4%	76.8%
Reclassification Adj.	(85.0)	-0.2%	-3.7%		0.0%	0.0%		0.0%	0.0%
Workyear Mix Adj. 2/	(28.7)	-0.1%	-1.3%	(31.8)	-0.1%	-0.9%	(36.1)	-0.1%	-1.1%
Final Adjustments		0.0%	0.0%	53.2	0.1%	1.5%	(126.5)	-0.2%	-3.8%
Total Chg. Before Contingency	2,279.2	4.1%	100.0%	3,563.7	6.2%	100.0%	3,307.9	5.8%	100.0%
Contingency				608.2	1.1%	17.1%	605.6	1.1%	18.3%
Total Chg. After Contingency	2,279.2	4.1%	100.0%	4,171.9	7.3%	117.1%	3,913.5	6.8%	118.3%

1/ Before Contingency

2/ The workyear mix adjustment is relative to FY 96. The change from FY 1997 is therefore calculated by subtracting the FY 97 adjustment from the FY 98 adjustment.

## Errata - Patelunas (USPS-T-15)

### Exhibit USPS-15F

Page 1 of 2      *Substitute revised page 1 for original page 1*

Page 2 of 2      *Substitute revised page 2 for original page 2*

### Exhibit USPS-15G

Page 2 of 25      *Substitute revised page 2 for original page 2*

Page 3 of 25      *Substitute revised page 3 for original page 3*

Page 6 of 25      *Substitute revised page 6 for original page 6*

Page 7 of 25      *Substitute revised page 7 for original page 7*

Page 9 of 25      *Substitute revised page 9 for original page 9*

Page 12 of 25      *Substitute revised page 12 for original page 12*

Page 16 of 25      *Substitute revised page 16 for original page 16*

Page 17 of 25      *Substitute revised page 17 for original page 17*

Page 24 of 25      *Substitute revised page 24 for original page 24*

### Exhibit USPS-15I

Page 1 of 2      *Substitute revised page 1 for original page 1*

Page 2 of 2      *Substitute revised page 2 for original page 2*

### Exhibit USPS-15J

Page 2 of 25      *Substitute revised page 2 for original page 2*

Page 3 of 25      *Substitute revised page 3 for original page 3*

Page 5 of 25      *Substitute revised page 5 for original page 5*

Page 6 of 25      *Substitute revised page 6 for original page 6*

Errata - Patelunas (USPS-T-15)

Exhibit USPS-15J continued:

<u>Page 7 of 25</u>	Substitute revised page 7 for original page 7
<u>Page 9 of 25</u>	Substitute revised page 9 for original page 9
<u>Page 23 of 25</u>	Substitute revised page 23 for original page 23
<u>Page 24 of 25</u>	Substitute revised page 24 for original page 24

USPS 10-4730  
ALA430P1

DEVELOPMENT OF COST BY SEGMENT AND COMPONENT - FY98RCBM (MIXADJ)  
D REPORT

Exhibit-15F  
Revised 8-22-97

COST SEGMENT FINAL ADJUSTMENTS

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
FIRST-CLASS MAIL:					
LETTERS & PARCELS	12 506 161	7 584	12 513 745	125 137	12 638 882
PRESORT LTR & PCL	4 069 545	4 480	4 074 025	40 740	4 114 765
SINGLE PIECE CARDS	444 508	380	444 888	4 449	449 337
PRESORT CARDS	164 454	166	164 620	1 646	166 266
TOTAL FIRST	17 184 668	12 610	17 197 278	171 972	17 369 250
PRIORITY MAIL	2 130 532	421	2 130 953	21 310	2 152 263
EXPRESS MAIL	419 197	91	419 288	4 193	423 481
MAILGRAMS	502	1	503	5	508
PERIODICALS:					
IN-COUNTRY	81 328	130	81 458	815	82 273
OUTSIDE COUNTRY:					
REGULAR	1 569 408	1 160	1 570 568	15 706	1 586 274
NONPROFIT	332 242	328	332 570	3 326	335 896
CLASSROOM	13 659	10	13 669	137	13 806
TOTAL PERIODICALS	1 996 637	1 628	1 998 265	19 984	2 018 249
STANDARD MAIL (A):					
SINGLE PIECE RATE	227 855	94	227 949	2 279	230 228
REGULAR STANDARD					
ENHANCED CAR RTE	2 140 863	3 410	2 144 273	21 443	2 165 716
OTHER	4 901 697	3 893	4 905 590	49 056	4 954 646
TOTAL REGULAR	7 042 560	7 303	7 049 863	70 499	7 120 362
NONPROFIT STANDARD					
ENHANCED CAR RTE	155 886	212	156 098	1 561	157 659
OTHER	1 077 302	915	1 078 217	10 782	1 088 999
TOTAL NONPROF	1 233 188	1 127	1 234 315	12 343	1 246 658
TOTAL STANDARD (A)	8 503 603	8 524	8 512 127	85 121	8 597 248
STANDARD MAIL (B):					
PARCELS ZONE RATE	786 775	184	786 959	7 870	794 829
BOUND PRNT MATTER	332 571	215	332 786	3 328	336 114
SPECIAL STANDARD	255 353	115	255 468	2 555	258 023
LIBRARY MAIL	51 237	20	51 257	513	51 770
TOTAL STANDARD (B)	1 425 936	534	1 426 470	14 266	1 440 736

USPS 10-4730  
ALA430P1

DEVELOPMENT OF COST BY SEGMENT AND COMPONENT - FY98RCBM (MIXADJ)  
D REPORT  
COST SEGMENT FINAL ADJUSTMENTS

Exhibit-15F  
Revised 8/22/97

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
U S POSTAL SERVICE	173 532	173 532-	--	--	--
FREE MAIL--BLIND & HNDC & SERVICEMEN	31 510	14	31 524	315	31 839
INTERNATIONAL MAIL	1 216 170	90	1 216 260	12 163	1 228 423
TOTAL ALL MAIL	33 082 287	149 619-	32 932 668	329 329	33 261 997
SPECIAL SERVICES:					
REGISTRY	82 693	33	82 726	827	83 553
CERTIFIED	338 218	516	338 734	3 387	342 121
INSURANCE	42 335	19	42 354	424	42 778
COD	17 011	23	17 034	170	17 204
SPECIAL DELIVERY	28	28-	--	--	--
MONEY ORDERS	145 968	4	145 972	1 460	147 432
STAMPED ENVELOPES	12 162	--	12 162	122	12 284
SPECIAL HANDLING	1 272	--	1 272	13	1 285
POST OFFICE BOX	607 733	1	607 734	6 077	613 811
OTHER	155 329	28	155 357	1 554	156 911
TOTAL SPC SVCS	1 402 749	596	1 403 345	14 034	1 417 379
TOTAL VOLUME VARIABLE	34 485 036	149 023-	34 336 013	343 363	34 679 376
OTHER	26 281 186	173 532	26 454 718	264 547	26 719 265
TOTAL COSTS	60 766 222	24 509	60 790 731	607 910	61 398 641

USPS 10-4730  
ALA430P1

SUMMARY OF INCOME AND COST FOR MAJOR SERVICE CATEGORIES  
FY98RCBM (MIXADJ)  
(IN MILLIONS)

Exhibit-15G  
Revised 8/22/97

```
*****
          /3/      VOLUME      REVENUE LESS      REVENUE AS %
          REVENUE  VARIABLE  VOLUME VARIABLE  VOLUME VARIABLE
          COST     COST     /2/      COST      COST
*****
FIRST-CLASS MAIL.....$ 33 728.1    $ 17 369.3    $ 16 358.8    194.2 %
PRIORITY MAIL .....    3 978.8        2 152.3        1 826.5    184.9
EXPRESS MAIL.....    833.1        423.5        409.6    196.7
MAILGRAMS.....        4.7          .5          4.2    940.0

PERIODICALS:
  WITHIN THE COUNTY.....    80.7        82.3        1.6-    98.1
  OUTSIDE THE COUNTY:
    NONPROFIT PUBLICATIONS    330.4        335.9        5.5-    98.4
    CLASSROOM PUBLICATIONS    10.5        13.8        3.3-    76.1
    REGULAR-RATE PUBL.....    1 617.5        1 506.3        31.2    102.0
    FEES .....    21.1          --    21.1    --
    TOTAL PERIODICALS.....    2 060.2        2 018.2        42.0    102.1

STANDARD MAIL (A):
  SINGLE PIECE RATE.....    153.9        230.2        76.3-    66.9
  STANDARD - REGULAR.....    11 844.7        7 120.4        4 724.3    166.3
  STANDARD - NONPROFIT.....    1 391.0        1 246.7        144.3    111.6
  FEES.....    109.9          --    109.9    --
  TOTAL STANDARD (A)....    13 499.5        8 597.2        4 902.3    157.0

STANDARD MAIL (B):
  PARCELS (ZONE RATE).....    737.4        794.8        57.4-    92.8
  BOUND PRINTED MATTER....    492.9        336.1        156.8    146.7
  TOTAL ZONE-RATE MAIL...    1 230.3        1 130.9        99.4    108.8
  SPECIAL
    STANDARD.....    353.7        258.0        95.7    137.1
    LIBRARY MAIL .....    48.2        51.8        3.6-    93.1
  TOTAL STANDARD (B)....    1 633.0        1 440.7        192.3    113.3

U S POSTAL SERVICE.....    --          --          --    --
FREE MAIL FOR BLIND AND
  HANDICAPPED.....    --          31.8        31.8-    --
INTERNATIONAL MAIL.....    1 625.6        1 228.4 /5/    397.2    132.3
  TOTAL MAIL.....    57 362.9        33 262.0        24 100.9    172.5
SPECIAL SERVICES.....    1 748.3 /4/    1 417.4        330.9    123.3
MISCELLANEOUS ITEMS.....    215.5 /6/          --    215.5    --
  TOTAL MAIL AND SERVICES    59 326.8    $ 34 679.4    $ 24 647.4    171.1 %
*****
```

USPS 10-4730  
ALA430P1

SUMMARY OF INCOME AND COST FOR MAJOR SERVICE CATEGORIES  
FY98RCBM (MIXADJ)  
(IN MILLIONS)

Exhibit-15G  
Revised 8/1/97  
22

```
*****
          /3/      VOLUME      REVENUE LESS      REVENUE AS %
          REVENUE  VARIABLE  VOLUME VARIABLE  VOLUME VARIABLE
          COST     COST     COST     COST     COST
*****
APPROPRIATIONS:
REVENUE FORGONE.....$      67.3      $      --      $      67.3      --      %
PUBLIC SERVICE.....      --      --      --      --      --
TOTAL OPERATING INCOME      59 394.0      --      --      --
INVESTMENT INCOME.....      33.6      --      33.6      --
TOTAL.....      59 427.6      34 679.4      24 748.2      171.4
ALL OTHER COSTS.....      --      26 719.3      --      --
TOTAL OPERATING
EXPENSE.....$      --      $      61 398.6      $      --      --      %
*****
```

USPS 10-4730  
ALA430P1

SUMMARY OF REVENUES, VOLUME VARIABLE COSTS, PIECES AND WEIGHT FOR MAJOR SERVICE CATEGORIES  
FY98RC8M (MIXADJ)  
(IN MILLIONS)

Exhibit-15G  
Revised 8/22/97

	REVENUE /3/ DOLLARS	REVENUE %	/2/ VOLUME VARIABLE COST DOLLARS	VOLUME VARIABLE COST %
FIRST-CLASS MAIL.....	\$ 33 728.1	56.9 %	\$ 17 369.3	50.1 %
PRIORITY MAIL.....	3 978.8	6.7	2 152.3	6.2
EXPRESS MAIL.....	833.1	1.4	423.5	1.2
MAILGRAMS.....	4.7	--	.5	--
PERIODICALS:				
WITHIN THE COUNTY.....	80.7	.1	82.3	.2
OUTSIDE THE COUNTY:				
NONPROFIT PUBLICATIONS	330.4	.6	335.9	1.0
CLASSROOM PUBLICATIONS	10.5	--	13.8	--
REGULAR-RATE PUBL.....	1 617.5	2.7	1 586.3	4.6
FEES.....	21.1	--	--	--
TOTAL PERIODICALS.....	2 060.2	3.4	2 018.2	5.8
STANDARD MAIL (A):				
SINGLE PIECE RATE.....	153.9	.3	230.2	.7
STANDARD - REGULAR.....	11 844.7	19.9	7 120.4	20.5
STANDARD - NONPROFIT.....	1 391.0	2.3	1 246.7	3.6
FEES.....	109.9	.2	--	--
TOTAL STANDARD (A).....	13 499.5	22.7	8 597.2	24.8
STANDARD MAIL (B):				
PARCELS (ZONE RATE)....	737.4	1.2	794.8	2.3
BOUND PRINTED MATTER....	492.9	.8	336.1	1.0
TOTAL ZONE-RATE MAIL...	1 230.3	2.0	1 130.9	3.3
SPECIAL				
STANDARD.....	353.7	.6	258.0	.7
LIBRARY MAIL.....	48.2	.1	51.8	.2
FEES.....	.9	--	--	--
TOTAL STANDARD (B)....	1 633.0	2.7	1 440.7	4.2
U S POSTAL SERVICE.....	--	--	--	--
FREE MAIL FOR BLIND AND HANDICAPPED.....	--	--	31.8	.1
INTERNATIONAL MAIL.....	1 625.6	2.7	1 228.4 /5/	3.5
TOTAL MAIL.....	57 362.9	96.5	33 262.0	95.9
SPECIAL SERVICES.....	1 748.3 /4/	2.9	1 417.4	4.1
MISCELLANEOUS ITEMS.....	215.5 /6/	.4	--	--
TOTAL MAIL AND SERVICES	\$ 59 326.8	99.8 %	\$ 34 679.4	100.0 %

USPS 10-4730  
ALA430P1

SUMMARY OF REVENUES, VOLUME VARIABLE COSTS, PIECES AND WEIGHT FOR MAJOR SERVICE CATEGORIES  
FY98RCBM (MIXADJ)  
(IN MILLIONS)

Exhibit-15G  
Revised 8/22/97

	REVENUE /3/ DOLLARS	REVENUE %		/2/ VOLUME VARIABLE COST DOLLARS	VOLUME VARIABLE COST %
APPROPRIATIONS:					
REVENUE FORGONE.....\$	67.3	.1 %	\$	--	-- %
PUBLIC SERVICE.....	--	--		--	--
TOTAL OPERATING INCOME	59 394.0	99.9		--	--
INVESTMENT INCOME.....	33.6	.1		--	--
TOTAL.....\$	59 427.6	100.0 %	\$	34 679.4	100.0 %

USPS 10-4730  
ALA434P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS  
FY98RCBM (MIXADJ)  
(IN THOUSANDS)

Exhibit-15G  
Revised 8/22/97

	ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
COST SEGMENTS & COMPONENTS						
1. POSTMASTERS	\$ 1 714 555	\$ --	\$ 320 607	\$ 320 607	\$ --	\$ 1 393 948
2. SUPERVISORS AND TECHNICIANS						
MAIL PROCESSING	1 100 170	--	847 405	847 405	--	252 765
WINDOW SERVICE	189 609	--	92 590	92 590	--	97 019
ADMINISTRATION AND SUPPORT						
TIME AND ATTENDANCE	67 219	--	38 763	38 763	--	28 456
LOCAL SERVICES						
CITY CARRIERS						
IN-OFFICE	244 371	--	220 225	220 225	--	24 146
ELEMENTAL LOAD	110 364	--	75 116	75 116	--	35 248
OTHER STREET	389 319	--	72 117	72 117	--	317 202
SPECIAL DELIVERY MESSENGERS						
IN-OFFICE	1 657	--	1 312	1 312	--	345
STREET	7 784	--	3 774	3 774	--	4 010
OTHER SUPERVISORS AND TECHNICIANS	1 404 233	--	342 132	342 132	--	1 062 101
TOTAL SUPERVISORS	3 514 726	--	1 693 434	1 693 434	--	1 821 292
3. CLERKS AND MAILHANDLERS						
CAG A-J OFFICES						
MAIL PROCESSING	14 227 224	10 906 031	--	10 906 031	--	3 321 193
WINDOW SERVICE	2 067 894	1 008 886	--	1 008 886	--	1 059 008
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 412 349	--	780 577	780 577	--	631 772
TOTAL CLERKS	17 707 467	11 914 917	780 577	12 695 494	--	5 011 973
4. CLERKS, CAG K OFFICES	10 053	4 402	--	4 402	--	5 651
6. CITY DELIVERY CARRIERS						
IN-OFFICE	3 564 280	2 558 162	599 068	3 157 230	--	407 050
7. CITY DELIVERY CARRIERS						
OUT-OF-OFFICE	8 423 450	1 266 137	1 215 995	2 482 132	--	5 941 318
TOTAL CITY CARRIERS	\$ 11 987 730	\$ 3 824 299	\$ 1 815 063	\$ 5 639 362	\$ --	\$ 6 348 368

USPS 10-4730  
ALA434P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS  
18RCBM (MIXAD)  
(IN THOUSANDS)

Exhibit-15G  
Revised 8/22/97

\*\*\*\*\*1\*\*\*\*\*

ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
------------------	------------------------	-----------------	------------------	----------------	--------------------

COST SEGMENTS & COMPONENTS  
-----

18. ADMINISTRATION AND REGIONAL OPERATIONS					
HEADQUARTERS	\$ 672 044	\$ --	\$ --	\$ --	\$ 672 044
USPS PERSONNEL	3 923 657	--	1 834 380	1 834 380	2 089 277
TOTAL ADMIN AND REGIONAL OPERATIONS	4 595 701	--	1 834 380	1 834 380	2 761 321
19. SUPPORT SERVICES	38 973	--	--	--	38 973
20. DEPRECIATION AND SERVICE WIDE COSTS					
DEPRECIATION	1 924 692	--	1 185 053	1 185 053	739 639
INTEREST	2 009 476	--	1 134 200	1 134 200	875 276
OTHER MISCELLANEOUS	221 364	18 380	--	18 380	202 984
TOTAL DEPRECIATION & SERVICE WIDE COSTS	4 155 532	18 380	2 319 253	2 337 633	1 817 899
TOTAL ACCRUED COST	60 766 222	21 591 313	12 893 723	34 485 036	26 281 186
FINAL ADJUSTMENTS	24 509	114 293-	59 239-	173 532-	173 532
ADJUSTED GRAND TOTAL	\$ 60 790 731	\$ 21 477 020	\$ 12 834 404	\$ 34 311 504	\$ 26 454 718

\*\*\*\*\*1\*\*\*\*\*  
\*\*\* PAGE 12 \*\*\*  
\*\*\*\*\*1\*\*\*\*\*

USPS 10-4730

## PRIORITY MAIL, EXPRESS MAIL, AND MAILGRAMS

Exhibit-15G

ALA450P1

FY98 CURRENT (MIXADJ)

Revised 8/22/97

CATEGORY -----	PRIORITY MAIL -----	EXPRESS MAIL -----	MAILGRAMS -----
REVENUE/COST RELATIONSHIP: -----			
PER PIECE (CENTS):			
..REVENUE.....	354.1	1 294.0	98.3
..VOLUME VARIABLE COSTS...	191.5	657.8	10.7
..REVENUE LESS			
....VOLUME VARIABLE COST..	162.6	636.2	87.6
PER POUND (CENTS):			
..REVENUE.....	212.3	1 169.0	--
..VOLUME VARIABLE COSTS...	114.9	594.3	--
..REVENUE LESS			
....VOLUME VARIABLE COST..	97.4	574.7	--
VOLUME STATISTICS: -----			
PIECES (000).....	1 123 760	64 377	4 757
WEIGHT PER PIECE (OUNCES)..	26.7	17.7	--
WEIGHT/CUBIC FT. (POUNDS)..	12.6	7.1	--
WEIGHT IN POUNDS (000)....	1 873 748	71 261	--
CUBIC FEET (000).....	148 216	10 065	--

USPS 10-4730

ALA450P1

## PERIODICALS

FY98RCBM CURRENT (MIXADJ)

Exhibit-15G

Revised 8/22/97

CATEGORY -----	TOTAL WITHIN THE COUNTY -----	OUTSIDE THE COUNTY PUBLICATIONS -----			TOTAL PERIODICALS -----
		NONPROFIT -----	CLASSROOM -----	REGULAR RATE -----	
REVENUE/COST RELATIONSHIP: -----					
PER PIECE (CENTS):					
..REVENUE.....	8.9	15.1	20.5	22.6	20.0
..VOLUME VARIABLE COSTS...	9.0	15.4	27.0	22.1	19.6
..REVENUE LESS					
....VOLUME VARIABLE COST..	.1-	.3-	6.5-	.5	.4
PER POUND (CENTS):					
..REVENUE.....	30.3	56.0	40.0	48.5	48.8
..VOLUME VARIABLE COSTS...	30.9	57.0	52.8	47.5	47.8
..REVENUE LESS					
....VOLUME VARIABLE COST..	.6-	1.0-	12.8-	1.0	1.0
VOLUME STATISTICS: -----					
PIECES (000).....	911 204	2 186 677	51 194	7 172 571	10 321 646
WEIGHT PER PIECE (OUNCES)..	4.7	4.3	8.2	7.4	6.5
WEIGHT/CUBIC FT. (POUNDS)..	18.4	16.4	17.1	17.8	17.6
WEIGHT IN POUNDS (000)....	266 547	589 597	26 151	3 338 193	4 220 488
CUBIC FEET (000).....	14 483	36 019	1 526	187 350	239 378

USPS 10-4730

ALA450P1

## SPECIAL SERVICES

FY98 CURRENT (MIXADJ)

Exhibit-15G

Revised 8/22/97

CATEGORY -----	SPECIAL DELIVERY -----	MONEY ORDERS -----	STAMPED ENVELOPES -----	POST OFFICE BOX -----
REVENUE/COST RELATIONSHIP:				
-----				
PER TRANSACTION (CENTS):				
..REVENUE.....	--	100.3	NA	NA
..VOLUME VARIABLE COSTS...	--	62.3	NA	NA
..REVENUE LESS				
....VOLUME VARIABLE COSTS.	--	38.0	NA	NA
REVENUE (MILLIONS).....	--	\$237.3	\$13.8	\$611.4
VOLUME VARIABLE				
..COSTS (MILLIONS):				
..VARIABLE COSTS .....	--	\$143.0	\$1.9	\$613.8
..OTHER DIRECT.....	--	4.4	10.4	--
....TOTAL VOLUME VARIABLE				
.....COST.....	--	\$147.4	\$12.3	\$613.8
REVENUE LESS VOL VARIABLE				
..COSTS (MILLIONS).....	--	\$89.9	\$1.6	\$2.4-
REVENUE AS A PERCENT OF				
..VOLUME VARIABLE				
....COSTS.....	--	161.0 %	112.2 %	99.6 %
VOLUME:				
-----				
TRANSACTIONS (000).....	--	236 661	NA	NA

USPS 10-4730  
ALA430P1

DEVELOPMENT OF COST BY SEGMENT AND COMPONENT - FY98RCAM (MIXADJ)  
D REPORT  
COST SEGMENT FINAL ADJUSTMENTS

Exhibit-15I  
Revised 8/22/97

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
FIRST-CLASS MAIL:					
LETTERS & PARCELS	12 492 466	165 373	12 657 839	126 578	12 784 417
PRESORT LTR & PCL	4 017 041	4 480	4 021 521	40 215	4 061 736
SINGLE PIECE CARDS	432 590	380	432 970	4 330	437 300
PRESORT CARDS	158 467	166	158 633	1 586	160 219
TOTAL FIRST	17 100 564	170 399	17 270 963	172 709	17 443 672
PRIORITY MAIL	2 067 595	105 261	2 172 856	21 729	2 194 585
EXPRESS MAIL	413 570	4 407-	409 163	4 092	413 255
MAILGRAMS	502	1	503	5	508
PERIODICALS:					
IN-COUNTY	80 424	130	80 554	806	81 360
OUTSIDE COUNTY:					
REGULAR	1 562 202	1 160	1 563 362	15 634	1 578 996
NONPROFIT	328 112	328	328 440	3 284	331 724
CLASSROOM	12 627	10	12 637	126	12 763
TOTAL PERIODICALS	1 983 365	1 628	1 984 993	19 850	2 004 843
STANDARD MAIL (A):					
SINGLE PIECE RATE	221 986	221 986-	--	--	--
REGULAR STANDARD					
ENHANCED CAR RTE	1 894 972	28 257-	1 866 715	18 667	1 885 382
OTHER	5 361 440	219 913-	5 141 527	51 415	5 192 942
TOTAL REGULAR	7 256 412	248 170-	7 008 242	70 082	7 078 324
NONPROFIT STANDARD					
ENHANCED CAR RTE	128 015	4 132-	123 883	1 239	125 122
OTHER	1 121 232	24 623-	1 096 609	10 966	1 107 575
TOTAL NONPROF	1 249 247	28 755-	1 220 492	12 205	1 232 697
TOTAL STANDARD (A)	8 727 645	498 911-	8 228 734	82 287	8 311 021
STANDARD MAIL (B):					
PARCELS ZONE RATE	738 878	14 732	753 610	7 536	761 146
BOUND PRNT MATTER	329 083	13 658	342 741	3 427	346 168
SPECIAL STANDARD	254 953	583-	254 370	2 544	256 914
LIBRARY MAIL	48 595	30	48 625	486	49 111
TOTAL STANDARD (B)	1 371 509	27 837	1 399 346	13 993	1 413 339

USPS 10-4730  
ALA430P1

DEVELOPMENT OF COST BY SEGMENT AND COMPONENT - FY98RCAM (MIXADJ)  
D REPORT  
COST SEGMENT FINAL ADJUSTMENTS

Exhibit-15I  
Revised 8/22/97

	TOTAL VOLUME VARIABLE	FINAL ADJUSTMENTS	ADJUSTED VOLUME VARIABLE	CONTINGENCY	VOLUME VARIABLE TOTAL INCLUDING CONTINGENCY
*****					
U S POSTAL SERVICE	173 330	173 330-	--	--	--
FREE MAIL--BLIND & HNDC & SERVICEMEN	31 451	14	31 465	315	31 780
INTERNATIONAL MAIL	1 195 076	90	1 195 166	11 952	1 207 118
TOTAL ALL MAIL	33 064 607	371 418-	32 693 189	326 932	33 020 121
SPECIAL SERVICES:					
REGISTRY	75 985	33	76 018	760	76 778
CERTIFIED	326 161	3 349-	322 812	3 228	326 040
INSURANCE	41 205	6 322	47 527	475	48 002
COD	16 797	23	16 820	168	16 988
SPECIAL DELIVERY	28	28-	--	--	--
MONEY ORDERS	145 902	4	145 906	1 459	147 365
STAMPED ENVELOPES	12 186	--	12 186	122	12 308
SPECIAL HANDLING	1 270	--	1 270	13	1 283
POST OFFICE BOX	589 953	1	589 954	5 900	595 854
OTHER	155 139	68 594	223 733	2 237	225 970
TOTAL SPC SVCS	1 364 626	71 600	1 436 226	14 362	1 450 588
TOTAL VOLUME VARIABLE	34 429 233	299 818-	34 129 415	341 294	34 470 709
OTHER	26 260 888	173 330	26 434 218	264 342	26 698 560
TOTAL COSTS	60 690 121	126 488-	60 563 633	605 636	61 169 269

USPS 10-4730  
ALA430P1

SUMMARY OF INCOME AND COST FOR MAJOR SERVICE CATEGORIES  
FY98RCAM (MIXADJ)  
(IN MILLIONS)

Exhibit-15J  
Revised 8/22/97

```
*****
              /3/      VOLUME      REVENUE LESS      REVENUE AS %
              REVENUE  VARIABLE  VOLUME VARIABLE  VOLUME VARIABLE
              COST      COST      COST      COST
*****
FIRST-CLASS MAIL.....$ 34 703.7      $ 17 443.7      $ 17 260.0      198.9 %
PRIORITY MAIL.....      4 352.7      2 194.6      2 158.1      198.3
EXPRESS MAIL.....      841.2      413.3      427.9      203.5
MAILGRAMS.....      4.7      .5      4.2      940.0

PERIODICALS:
  WITHIN THE COUNTY.....      81.8      81.4      .4      100.5
  OUTSIDE THE COUNTY:
    NONPROFIT PUBLICATIONS      338.2      331.7      6.5      102.0
    CLASSROOM PUBLICATIONS      10.4      12.8      2.4-      81.2
    REGULAR-RATE PUBL.....      1 674.3      1 579.0      95.3      106.0
    FEES.....      21.0      --      21.0      --
    TOTAL PERIODICALS.....      2 125.8      2 004.8      121.0      106.0

STANDARD MAIL (A):
  SINGLE PIECE RATE.....      --      --      --      --
  STANDARD - REGULAR.....      12 249.6      7 078.3      5 171.3      173.1
  STANDARD - NONPROFIT.....      1 512.0      1 232.7      279.3      122.7
  FEES.....      117.3      --      117.3      --
  TOTAL STANDARD (A).....      13 878.9      8 311.0      5 567.9      167.0

STANDARD MAIL (B):
  PARCELS (ZONE RATE).....      781.7      761.1      20.6      102.7
  BOUND PRINTED MATTER.....      524.2      346.2      178.0      151.4
  TOTAL ZONE-RATE MAIL..      1 305.8      1 107.3      198.5      117.9
  SPECIAL
    STANDARD.....      351.9      256.9      95.0      137.0
    LIBRARY MAIL.....      52.3      49.1      3.2      106.5
  TOTAL STANDARD (B).....      1 711.0      1 413.3      297.7      121.1

U S POSTAL SERVICE.....      --      --      --      --
FREE MAIL FOR BLIND AND
  HANDICAPPED.....      --      31.8      31.8-      --
INTERNATIONAL MAIL.....      1 643.8      1 207.1 /5/      436.7      136.2
TOTAL MAIL.....      59 261.8      33 020.1      26 241.7      179.5
SPECIAL SERVICES.....      2 050.9 /4/      1 450.6      600.3      141.4
MISCELLANEOUS ITEMS.....      217.2 /6/      --      217.2      --
TOTAL MAIL AND SERVICES$      61 530.0      $ 34 470.7      $ 27 059.3      178.5 %
*****
```

USPS 10-4730  
ALA430P1

SUMMARY OF INCOME AND COST FOR MAJOR SERVICE CATEGORIES  
FY98RCAM (MIXADJ)  
(IN MILLIONS)

Exhibit-15J  
Revised 8/22/97

```
*****
          /3/      VOLUME      REVENUE LESS      REVENUE AS %
          REVENUE  VARIABLE  VOLUME VARIABLE  VOLUME VARIABLE
          COST     COST     COST     COST
*****
```

APPROPRIATIONS:					
REVENUE FORGONE.....\$	67.5	\$ --	\$ 67.5	--	%
PUBLIC SERVICE.....	--	--	--	--	
TOTAL OPERATING INCOME	61 597.5	--	--	--	
INVESTMENT INCOME.....	54.4	--	54.4	--	
TOTAL.....	61 651.8	34 470.7	27 181.1	178.9	
ALL OTHER COSTS.....	--	26 698.6	--	--	
TOTAL OPERATING					
EXPENSE.....\$	--	\$ 61 169.3	\$ --	--	%

USPS 10-4730  
ALA430P1

DETAIL OF VOLUME VARIABLE COSTS FOR MAJOR SERVICE CATEGORIES  
FY98RCAM (MIXADJ)  
(IN THOUSANDS)

Exhibit-15J  
Revised 8/22/97

```
*****
-----VOLUME VARIABLE COST /2/
DIRECT & INDIRECT          TOTAL
EXCLUDING TRAN  TRANSPORTATION  VOLUME VARIABLE
*****
U S POSTAL SERVICE      $      --      $      --      $      --
FREE MAIL--BLIND & HNDC
  & SERVICEMEN          27 243      4 222      31 465
INTERNATIONAL MAIL      450 590      744 576      1 195 166
TOTAL ALL MAIL          28 943 260      3 749 929      32 693 189
SPECIAL SERVICES:
  REGISTRY              76 018      --      76 018
  CERTIFIED             322 812      --      322 812
  INSURANCE              47 527      --      47 527
  COD                    16 820      --      16 820
  SPECIAL DELIVERY      --      --      --
  MONEY ORDERS           145 906      --      145 906
  STAMPED ENVELOPES      12 186      --      12 186
  SPECIAL HANDLING        1 270      --      1 270
  POST OFFICE BOX        589 954      --      589 954
  OTHER                  223 733      --      223 733
TOTAL SPC SVCS          1 436 226      --      1 436 226
TOTAL VOLUME VARIABLE   30 379 486      3 749 929      34 129 415
OTHER                   25 451 671      565 577      26 434 218
TOTAL COSTS             $ 55 831 157      $ 4 315 506      $ 60 563 633
*****
```

USPS 10-4730  
ALA430P1

SUMMARY OF REVENUES, VOLUME VARIABLE COSTS, PIECES AND WEIGHT FOR MAJOR SERVICE CATEGORIES  
FY98RCAM (MIXADJ)  
(IN MILLIONS)

Exhibit-15J  
Revised 8/22/97

	REVENUE /3/ DOLLARS	REVENUE %	VOLUME VARIABLE /2/ COST DOLLARS	VOLUME VARIABLE COST %
FIRST-CLASS MAIL.....	\$ 34 703.7	56.4 %	\$ 17 443.7	50.7 %
PRIORITY MAIL.....	4 352.7	7.1	2 194.6	6.4
EXPRESS MAIL.....	841.2	1.4	413.3	1.2
MAILGRAMS.....	4.7	--	.5	--
PERIODICALS:				
WITHIN THE COUNTY.....	81.8	.1	81.4	.2
OUTSIDE THE COUNTY:				
NONPROFIT PUBLICATIONS	338.2	.5	331.7	1.0
CLASSROOM PUBLICATIONS	10.4	--	12.8	--
REGULAR-RATE PUBL.....	1 674.3	2.7	1 579.0	4.6
FEES.....	21.0	--	--	--
TOTAL PERIODICALS.....	2 125.8	3.3	2 004.8	5.8
STANDARD MAIL (A):				
SINGLE PIECE RATE.....	--	--	--	--
STANDARD - REGULAR.....	12 249.6	19.8	7 078.3	20.6
STANDARD - NONPROFIT....	1 512.0	2.4	1 232.7	3.6
FEES.....	117.3	.2	--	--
TOTAL STANDARD (A)....	13 878.9	22.4	8 311.0	24.2
STANDARD MAIL (B):				
PARCELS (ZONE RATE)....	781.7	1.3	761.1	2.2
BOUND PRINTED MATTER....	524.2	.8	346.2	1.0
TOTAL ZONE-RATE MAIL..	1 305.8	2.1	1 107.3	3.2
SPECIAL				
STANDARD.....	351.9	.6	256.9	.7
LIBRARY MAIL.....	52.3	.1	49.1	.1
FEES.....	.9	--	--	--
TOTAL STANDARD (B)....	1 711.0	2.8	1 413.3	4.0
U S POSTAL SERVICE.....	--	--	--	--
FREE MAIL FOR BLIND AND				
HANDICAPPED.....	--	--	31.8	.1
INTERNATIONAL MAIL.....	1 643.8	2.7	1 207.1 /5/	3.5
TOTAL MAIL.....	59 261.8	96.1	33 020.1	95.9
SPECIAL SERVICES.....	2 050.9 /4/	3.2	1 450.6	4.1
MISCELLANEOUS ITEMS.....	217.2 /6/	.4	--	--
TOTAL MAIL AND SERVICES	\$ 61 530.0	99.7 %	\$ 34 470.7	100.0 %

SUMMARY OF REVENUES, VOLUME VARIABLE COSTS, PIECES AND WEIGHT FOR MAJOR SERVICE CATEGORIES  
FY98RCAM (MIXADJ)  
(IN MILLIONS)

	REVENUE /3/ DOLLARS	REVENUE %	VOLUME VARIABLE COST DOLLARS	VOLUME VARIABLE COST %
APPROPRIATIONS:				
REVENUE FORGONE.....\$	67.5	.1	--	--
PUBLIC SERVICE.....	--	--	--	--
TOTAL OPERATING INCOME	61 597.5	99.9	--	--
INVESTMENT INCOME.....	54.4	.1	--	--
TOTAL.....\$	61 651.8	100.0	\$ 34 470.7	100.0

USPS 10-4730  
ALA434P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS  
FY98RCAM (MIXADJ)  
(IN THOUSANDS)

Exhibit-15J  
Revised 8/22/97

	ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
COST SEGMENTS & COMPONENTS						
1. POSTMASTERS	\$ 1 712 615	\$ --	\$ 318 667	\$ 318 667	\$ --	\$ 1 393 948
2. SUPERVISORS AND TECHNICIANS						
MAIL PROCESSING	1 106 473	--	853 710	853 710	--	252 763
WINDOW SERVICE	188 206	--	91 188	91 188	--	97 018
ADMINISTRATION AND SUPPORT						
TIME AND ATTENDANCE	67 268	--	38 802	38 802	--	28 466
LOCAL SERVICES						
CITY CARRIERS						
IN-OFFICE	244 080	--	219 935	219 935	--	24 145
ELEMENTAL LOAD	109 255	--	74 007	74 007	--	35 248
OTHER STREET	388 938	--	71 741	71 741	--	317 197
SPECIAL DELIVERY MESSENGERS						
IN-OFFICE	1 637	--	1 292	1 292	--	345
STREET	7 726	--	3 716	3 716	--	4 010
OTHER SUPERVISORS AND TECHNICIANS	1 404 362	--	342 273	342 273	--	1 062 089
TOTAL SUPERVISORS	3 517 945	--	1 696 664	1 696 664	--	1 821 281
3. CLERKS AND MAILHANDLERS						
CAG A-J OFFICES						
MAIL PROCESSING	14 295 566	10 975 967	--	10 975 967	--	3 319 599
WINDOW SERVICE	2 051 422	992 838	--	992 838	--	1 058 584
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 412 617	--	781 118	781 118	--	631 499
TOTAL CLERKS	17 759 605	11 968 805	781 118	12 749 923	--	5 009 682
4. CLERKS, CAG K OFFICES	10 073	4 422	--	4 422	--	5 651
6. CITY DELIVERY CARRIERS						
IN-OFFICE	3 559 091	2 553 404	598 495	3 151 899	--	407 192
7. CITY DELIVERY CARRIERS						
OUT-OF-OFFICE	8 401 441	1 247 985	1 210 057	2 458 042	--	5 943 399
TOTAL CITY CARRIERS	\$ 11 960 532	\$ 3 801 389	\$ 1 808 552	\$ 5 609 941	\$ --	\$ 6 350 591

USPS 10-4730  
ALA434P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS  
FY98RCAM (MIXADJ)  
(IN THOUSANDS)

Exhibit-15J  
Revised 8/22/97

\*\*\*\*\*  
ACCruED COSTS      \*\*\*\*\*V O L U M E V A R I A B L E /2/ \*\*      ALL OTHER COSTS  
\*\*\*\*\*  
DIRECT      INDIRECT      TOTAL

COST SEGMENTS & COMPONENTS

18. ADMINISTRATION AND REGIONAL OPERATIONS						
HEADQUARTERS	\$ 672 044	\$ --	\$ --	\$ --	\$ --	\$ 672 044
USPS PERSONNEL	3 923 657	--	1 834 863	1 834 863	--	2 088 794
TOTAL ADMIN. AND REGIONAL OPERATIONS	4 595 701	--	1 834 863	1 834 863	--	2 760 838
19. SUPPORT SERVICES	38 973	--	--	--	--	38 973
20. DEPRECIATION AND SERVICE WIDE COSTS						
DEPRECIATION	1 924 692	--	1 184 856	1 184 856	--	739 836
INTEREST	1 953 476	--	1 099 957	1 099 957	--	853 519
OTHER MISCELLANEOUS	220 683	17 699	--	17 699	--	202 984
TOTAL DEPRECIATION & SERVICE WIDE COSTS	4 098 851	17 699	2 284 813	2 302 512	--	1 796 339
TOTAL ACCRUED COST	60 690 121	21 569 418	12 859 815	34 429 233	--	26 260 888
FINAL ADJUSTMENTS	126 488-	114 264-	59 066-	173 330-	--	173 330
ADJUSTED GRAND TOTAL	\$ 60 563 633	\$ 21 455 154	\$ 12 800 749	\$ 34 255 903	\$ --	\$ 26 434 218

\*\*\*\*\*  
\*\*\* PAGE 12 \*\*\*  
\*\*\*\*\*

SPECIAL SERVICES  
FY98 PROPOSED (MIXADJ)Exhibit-15J  
Revised 8/22/97

CATEGORY -----	REGISTRY -----	CERTIFIED -----	INSURANCE -----	COLLECT ON DELIVERY -----
REVENUE/COST RELATIONSHIP: -----				
PER TRANSACTION (CENTS):				
..REVENUE.....	858.1	153.4	243.3	463.8
..VOLUME VARIABLE COSTS...	537.4	111.4	156.9	437.2
..REVENUE LESS				
....VOLUME VARIABLE COSTS.	320.7	42.0	86.4	26.6
REVENUE (MILLIONS).....	\$122.6	\$449.0	\$74.5	\$18.0
VOLUME VARIABLE				
..COSTS (MILLIONS):				
..VARIABLE COSTS.....	\$74.6	\$326.0	\$35.4	\$15.1
..OTHER DIRECT.....	2.2	--	12.6	1.9
....TOTAL VOLUME VARIABLE				
.....COST.....	\$76.8	\$326.0	\$48.0	\$17.0
REVENUE LESS VOL VARIABLE				
..COSTS (MILLIONS).....	\$45.8	\$122.9	\$26.5	\$1.0
REVENUE AS A PERCENT OF				
..VOLUME VARIABLE				
....COSTS.....	159.6 %	137.7 %	155.2 %	105.9 %
VOLUME: -----				
TRANSACTIONS (000).....	14 288	292 720	30 600	3 886

CATEGORY -----	SPECIAL DELIVERY -----	MONEY ORDERS -----	STAMPED ENVELOPES -----	POST OFFICE BOX -----
REVENUE/COST RELATIONSHIP: -----				
PER TRANSACTION (CENTS):				
..REVENUE.....	--	100.3	NA	NA
..VOLUME VARIABLE COSTS...	--	62.3	NA	NA
..REVENUE LESS				
....VOLUME VARIABLE COSTS.	--	38.0	NA	NA
REVENUE (MILLIONS).....	--	\$237.2	\$16.0	\$683.4
VOLUME VARIABLE				
..COSTS (MILLIONS):				
..VARIABLE COSTS.. ..	--	\$142.9	\$1.9	\$595.9
..OTHER DIRECT.. ..	--	4.4	10.4	--
....TOTAL VOLUME VARIABLE				
.....COST.....	--	\$147.4	\$12.3	\$595.9
REVENUE LESS VOL VARIABLE				
..COSTS (MILLIONS).....	--	\$89.9	\$3.7	\$87.5
REVENUE AS A PERCENT OF				
..VOLUME VARIABLE				
....COSTS.....	--	160.9 %	130.1 %	114.7 %
VOLUME: -----				
TRANSACTIONS (000).....	--	236 570	NA	NA

## **Errata to the Exhibits and Workpapers of witness O'Hara, USPS-T-30**

These errata conform my exhibits and workpapers to the data originally filed by witnesses Sharkey, Taufique, and Tolley; incorporate changes resulting from the errata of other witnesses affecting Classroom Periodicals and a number of Special Services; and provide additional detail on a number of cost and volume adjustments made by pricing witnesses.

Exhibit USPS-30A: Before-rates revenues for Priority Mail, Express Mail, Nonprofit Periodicals ,and Regular-Rate Periodicals (lines 9, 10, 15, and 17) *have been corrected to conform to those originally filed by witnesses Sharkey and Taufique.* Revenues for Post Office Boxes have been revised to reflect the errata filed by witness Needham on August 22, 1997. Stamped Card costs are now shown separately on line 42a, rather than as part of line 47. Other Costs (line 47) have also been adjusted to reflect base-year to test-year growth in Return-Receipt and Restricted Delivery volumes.

Exhibit USPS-30B: Classroom revenue (line 16) has been corrected to reflected the errata filed by witness Kaneer on August 14, 1997. Within Special Services, data for Certified, Money Orders, Stamped Envelopes, and Post Offices Boxes (lines 38, 41, 42 and 44) have been revised to reflect the errata filed by witness Needham August 22, 1997. Insurance costs (line 39) have been adjusted to reflect the errata filed by witness Plunkett on August 18, 1997. Data for

Stamped Cards, Delivery Confirmation, BPRS, and Packaging Service are now shown individually (lines 42a-42d), which results in changes to lines 45 and 47. Additional detail regarding these changes to cost data are provided in the discussion of Exhibit USPS-30F, below. Other Income (line 48) has been adjusted slightly to reflect increases in certain fees, as explained in the note to line 32, page 3 of WP II.

Exhibit USPS-30C: The cost coverages for Certified Mail and Money Orders (lines 2 and 5) have been adjusted to reflect the errata filed by witness Needham. Stamped Cards and Merchandise Return Permits (lines 7 and 20) have been corrected to reflect those originally filed by witnesses Needham and Plunkett. A footnote has been added noting the inclusion of money order float in the cost coverage in this Exhibit.

Exhibit USPS-30D: The percent change for First-Class Mail letters (line 1) has been adjusted to conform to that originally filed by witness Fronk, and the Classroom percent change (line 7) has been adjusted to reflect the errata of witness Kaneer. Also, a column of source citations has been added.

Exhibit USPS-30E: Percent changes for lines 1, 5, 8, 9, and 20 have been changed to reflect errata filed by witnesses Needham and Plunkett. Also, a column of source citations has been added.

---

Exhibit USPS-30F: Three new columns have been added to show the development of costs before pricing-witness adjustments, and the Stamped Card adjustment has been moved to the second of these columns from the pricing-witness column. The pricing-witness adjustments for Certified and Insurance (page 2, lines 4 and 5) have been adjusted to reflect errata by witnesses Needham and Plunkett. Data for Stamped Cards, Delivery Confirmation, BPRS, and Packaging Service are now shown individually (page 2 lines 8a-8d), which results in changes to page 2, line 11.

Exhibit USPS-30G: The volume forecast for First-Class Mail worksharing letters and single-piece cards have been corrected to reflect that originally filed by witness Tolley. Lines for USPS Penalty Mail and Total Mail have been added for completeness.

Workpaper I: Before-rates postage for Priority Mail, Express Mail, Nonprofit Periodicals, and Regular-Rate Periodicals (page 2, lines 17, 20, 25, and 27) have been corrected to conform to those originally filed by witnesses Sharkey and Taufique. Volume and revenue for Box/Caller Service have been revised to reflect the errata filed by witness Needham on August 22, 1997.

Workpaper II: Classroom postage (page 2, line 26) has been corrected to reflected the errata filed by witness Kaneer on August xxx, 1997. Within Special Services, data for Certified, Money Orders, Stamped Envelopes, and Box/Caller Service (page 3, lines 21, 25, 26, and 27) have been revised to reflect the errata filed by witness Needham August 22, 1997. Data for Stamped Cards, Delivery Confirmation, BPRS, and Packaging Service are now shown individually (page 3, lines 26a-26d), which results in changes to lines 29 and 32. Other Income (page 3, line 32) has also been adjusted slightly to reflect increases in certain fees, as explained in the note.

Workpaper III: The Stamped Card adjustment has been moved to Exhibit USPS-30F, lines have been added for Delivery Confirmation and Packaging Service, and the entries for Certified, Insurance, and BPRS (lines 30, 31, and 35) have been corrected. More detail source citations have been provided at lines 4, 8, 9, 16, 25-27, 30, 31, and 35.

Workpaper V: This is a new workpaper that provides supporting detail for the volume adjustments in Exhibit USPS-30G.

SUMMARY OF ESTIMATED FISCAL YEAR 1998 BEFORE RATES FINANCES  
(Dollars in Thousands)

42  
Exhibit USPS-30A  
Revised 8-22-97

Line No.	Description	Volume Variable Costs	Revenues	Percent of Costs (Col 2/Col 1)	Contribution To Other Costs (Col 2 - Col 1)
		(1)	(2)	(3)	(4)
1	First-Class Mail				
2	Single-piece Letters	12,638,882	21,564,407	170.62%	8,925,525
3	Worksharing Letters	4,114,765	11,103,853	269.85%	6,989,088
4	Total Letters	16,753,648	32,668,260	194.99%	15,914,612
5	Single-piece Cards*	444,640	648,970	145.95%	204,329
6	Worksharing Postcards	166,266	410,873	247.12%	244,606
7	Total Cards	610,907	1,059,843	173.49%	448,936
8	Total	17,364,554	33,728,103	194.24%	16,363,548
9	Priority Mail	2,152,263	3,978,761	184.86%	1,826,498
10	Express Mail	423,481	633,065	196.72%	409,584
11	Mailgrams	508	4,676	920.45%	4,168
12	Periodicals				
13	In County	82,273	82,586	100.38%	314
14	Outside County				
15	Nonprofit	335,896	334,871	99.69%	(1,025)
16	Classroom	13,806	10,577	76.61%	(3,229)
17	Regular-Rate	1,586,274	1,632,125	102.89%	45,852
18	Total	2,018,248	2,060,159	102.08%	41,912
19	Standard Mail A				
20	Single Piece	230,228	157,506	68.41%	(72,722)
21	Commercial Regular	4,954,646	7,192,729	145.17%	2,238,083
22	Commercial Enhanced Carrier Route	2,165,716	4,722,276	218.05%	2,556,561
23	Total Commercial	7,120,362	11,915,005	167.34%	4,794,644
24	Nonprofit	1,088,999	1,165,260	107.00%	76,260
25	Nonprofit Enhanced Carrier Route	157,659	261,791	166.05%	104,132
26	Total Nonprofit	1,246,658	1,427,051	114.47%	180,393
27	Total Standard Mail A	8,597,248	13,499,562	157.02%	4,902,314
28	Standard Mail B				
29	Parcel Post	794,829	737,970	92.85%	(56,859)
30	Bound Printed Matter	336,114	493,286	146.76%	157,172
31	Special Rate	258,023	353,938	137.17%	95,915
32	Library Rate	51,770	48,267	93.23%	(3,502)
33	Total	1,440,735	1,633,461	113.38%	192,726
34	Free-for-the-Blind, etc	31,839	0	0.00%	(31,839)
35	International Mail	1,228,423	1,625,558	132.33%	397,135
36	Special Services				
37	Registry	83,553	91,928	110.02%	8,375
38	Certified	342,121	410,607	120.02%	68,486
39	Insurance	42,778	64,816	151.52%	22,038
40	COD	17,204	16,287	94.67%	(917)
41	Money Orders	147,432	237,331	160.98%	89,899
42	Stamped Envelopes	12,284	13,843	112.70%	1,560
42a	Stamped Cards*	4,697		0.00%	(4,697)
43	Special Handling	1,285			(1,285)
44	Post Office Boxes	613,811	611,375	99.60%	(2,436)
45	Other		301,695		301,695
46	Total	1,265,164	1,747,883	138.15%	482,718
47	Other Costs **	185,934			(185,934)
48	Other Income		215,531		215,531
49	Volume-Variable Costs and Revenues	34,708,399	59,326,758	170.93%	24,618,358
50	Total Other Costs	26,719,265			(26,719,265)
51	Prior Years Loss Recovery	446,933			(446,933)
52	Continuing Appropriations		67,274		67,274
53	Investment Income		33,580		33,580
54	GRAND TOTAL	61,874,598	59,427,612	96.05%	(2,446,986)

\*In column (1), Stamped Card manufacturing costs (Exhibit USPS-15E, p. 49) have been moved from line 5 to line 42a.

\*\*Includes \$28,736\*1.01 cost increases due to BY->TY growth in Return Receipt & Restricted Delivery volumes, USPS-T-40, WP 14

Sources: Volume Variable Costs: USPS-T-15, Appendix Figure 1, column (3) times 1.01 (adds 1% contingency)

Revenue: WP 1, pp. 2-3

SUMMARY OF ESTIMATED FISCAL YEAR 1998 AFTER RATES FINANCES  
(Dollars in Thousands)

Exhibit USPS-30B  
Revised 8-22-97

Line No.	Description	Volume Variable Costs (1)	Revenues (2)	Percent of Costs (Col 2/Col 1) (3)	Contribution To Other Costs (Col 2 - Col 1) (4)
1	First-Class Mail				
2	Single-piece Letters	12,784,417	22,148,759	173.25%	9,364,342
3	Worksharing Letters	4,061,736	11,466,010	282.29%	7,404,273
4	Total Letters	16,846,154	33,614,769	199.54%	16,768,615
5	Single-piece Cards	432,714	661,012	152.76%	228,298
6	Worksharing Postcards	160,219	427,967	267.11%	267,747
7	Total Cards	592,934	1,088,979	183.66%	496,045
8	Total	17,439,087	34,703,748	199.00%	17,264,660
9	Priority Mail	2,194,585	4,352,633	198.34%	2,158,108
10	Express Mail	413,255	841,217	203.56%	427,962
11	Mailgrams	508	4,676	920.49%	4,168
12	Periodicals				
13	In County	61,360	83,665	102.83%	2,305
14	Outside County				
15	Nonprofit	331,724	342,631	103.29%	10,907
16	Classroom	12,763	10,540	82.58%	(2,223)
17	Regular-Rate	1,578,996	1,688,945	106.96%	109,950
18	Total	2,004,843	2,125,781	106.03%	120,939
19	Standard Mail A				
20	Single Piece	0	0	0.00%	0
21	Commercial Regular	5,192,942	6,022,045	154.48%	2,829,103
22	Commercial Enhanced Carrier Route	1,885,382	4,304,004	228.28%	2,418,622
23	Total Commercial	7,078,324	12,326,049	174.14%	5,247,725
24	Nonprofit	1,107,575	1,351,433	122.02%	243,858
25	Nonprofit Enhanced Carrier Route	125,122	201,408	160.97%	76,286
26	Total Nonprofit	1,232,697	1,552,841	125.97%	320,144
27	Total Standard Mail A	8,311,021	13,878,890	166.99%	5,567,869
28	Standard Mail B				
29	Parcel Post	761,146	782,916	102.86%	21,769
30	Bound Printed Matter	346,169	524,608	151.55%	178,439
31	Special Rate	258,914	352,330	137.14%	95,416
32	Library Rate	49,111	52,427	106.75%	3,316
33	Total	1,415,340	1,712,281	121.15%	298,941
34	Free-for-the-Blind, etc	31,780	0	0.00%	(31,780)
35	International Mail	1,207,118	1,643,844	136.18%	436,726
36	Special Services				
37	Registry	76,778	122,606	159.69%	45,828
38	Certified	326,044	448,962	137.70%	122,918
39	Insurance	48,002	74,453	155.10%	26,451
40	COD	16,988	18,024	106.10%	1,036
41	Money Orders	147,365	237,240	160.99%	89,875
42	Stamped Envelopes	12,308	16,008	130.07%	3,701
42a	Stamped Cards	4,585	11,660	254.29%	7,075
42b	Delivery Confirmation	22,139	23,563	106.43%	1,424
42c	BPRS	5,410	8,370	154.71%	2,960
42d	Packaging Service	28,098	34,705	123.52%	6,607
43	Special Handling	1,283			(1,283)
44	Post Office Boxes	595,854	683,362	114.69%	87,508
45	Other		370,652		370,652
46	Total	1,284,854	2,049,606	159.52%	764,752
47	Other Costs	170,322			(170,322)
48	Other Income		217,242		217,242
49	Volume-Variable Costs and Revenues	34,470,713	61,529,977	178.50%	27,059,265
50	Total Other Costs	26,698,560			(26,698,560)
51	Prior Years Loss Recovery	446,933			(446,933)
52	Continuing Appropriations		67,498		67,498
53	Investment Income		54,371		54,371
54	GRAND TOTAL	61,616,205	61,651,846	100.06%	35,641

Sources: Volume Variable Costs: Exhibit USPS-30F, column (3) times 1.01 (adds 1% contingency), except lines 50,51  
Revenue: WP II pp 2-3

**Proposed Cost Coverages for Special Services**

	Cost Coverage	Source -
<b>SPECIAL SERVICES</b>		
1 Post Office Boxes and Caller Service	115%	USPS-T-39 WP-17 p3
2 Certified Mail	138%	USPS-T-39 WP-17 p1
3 C.O.D.	106%	USPS-T-39 WP-17 p1
4 Insurance	154%	USPS-T-40 WP-13
5 Money Orders*	203%	USPS-T-39 WP-17 p2
6 Registered Mail	160%	USPS-T-39 WP-17 p4
7 Stamped Cards	254%	USPS-T-39 WP-17 p4
8 Stamped Envelopes	130%	USPS-T-39 WP-17 p4
<b>SERVICES ASSIGNED TO CLASSES</b>		
9 Address Correction	127%	USPS-T-39 WP-17 p1
10 Business Reply	114%	USPS-T-39 WP-17 p1
11 Certificates of Mailing	132%	USPS-T-40 WP-13
12 First Class Presort Fees	113%	USPS-T-40 WP-13
13 Standard (B) Special Presort	113%	USPS-T-40 WP-13
14 Parcel Airlift	N/A	USPS-T-39 WP-17 p2
15 Periodicals Applications	129%	USPS-T-40 WP-13
16 Special Handling	102%	USPS-T-39 WP-17 p4
17 Standard (A) Presort	113%	USPS-T-40 WP-13
<b>OTHER SERVICES</b>		
18 Correction of Mailing Lists	124%	USPS-T-39 WP-17 p1
19 Furnishing Address Changes to Election Boards	124%	USPS-T-39 WP-17 p1
20 Merchandise Return Permit	113%	USPS-T-40 WP-13
21 On-Site Meter Setting	130%	USPS-T-39 WP-17 p2
22 Permit Imprint	113%	USPS-T-40 WP-13
23 ZIP-Coding of Mailing Lists	118%	USPS-T-39 WP-17 p4
24 Return Receipts	147%	USPS-T-40 WP-13
25 Restricted Delivery	159%	USPS-T-40 WP-13
26 Delivery Confirmation	106%	USPS-T-40 WP-13

\* Coverage shown includes interest on money order float, which is not included in the coverage shown in Exhibit USPS-30B

**Proposed Percentage Changes in Rates**

CLASSIFICATION		PERCENT CHANGE	Source
First Class Mail			
1	Letters	3.3%	Exhibit USPS-32B
2	Cards	5.9%	Exhibit USPS-32B
3	Priority Mail	7.4%	USPS-T-33 Table 6, line 14
4	Express Mail	3.7%	USPS-T-33 Table 3, line 5
Periodicals			
5	In County	3.4%	USPS-T-34 at 1
6	Nonprofit	3.9%	USPS-T-35 at 1
7	Classroom	7.2%	USPS-T-35 at 1
8	Regular Rate	3.5%	USPS-T-34 at 1
Standard Mail A			
9	Commercial Regular	4.1%	USPS-T-36 at 2
10	Commercial Enhanced Carrier-Route	3.2%	USPS-T-36 at 2
11	Nonprofit	15.1%	USPS-T-36 at 2
12	Nonprofit Enhanced Carrier-Route	-4.8%	USPS-T-36 at 2
Standard Mail B			
13	Parcel Post	10.2%	USPS-T-37, WP II.A&C*
14	Bound Printed Matter	5.0%	USPS-T-38, WP BPM1
15	Special	0.0%	USPS-T-38, WP SR1
16	Library	13.1%	USPS-T-38, WP Lib1

\*Calculated as percent change in revenue per piece using revenues from WP II C, page 1, line 4 and volumes from WP II.A, page 1.

### Proposed Percentage Changes in Special Services Fees

SPECIAL SERVICES	PERCENT CHANGE	Source
1 Post Office Boxes and Caller Service	18%	USPS-T-39 WP-17 p3
2 Certified Mail	15%	USPS-T-39 WP-17 p1
3 C.O.D.	12%	USPS-T-39 WP-17 p1
4 Insurance	17%	USPS-T-40 WP-13
5 Money Orders	0%	USPS-T-39 WP-17 p2
6 Registered Mail	51%	USPS-T-39 WP-17 p4
7 Stamped Cards	new fee	USPS-T-39 WP-17 p4
8 Stamped Envelopes	0%	USPS-T-39 WP-17 p4
SERVICES ASSIGNED TO CLASSES		
9 Address Correction	0%	USPS-T-39 WP-17 p1
10 Business Reply	51%	USPS-T-39 WP-17 p1
11 Certificates of Mailing	15%	USPS-T-40 WP-13
12 First Class Presort Fees	18%	USPS-T-40 WP-13
13 Standard (B) Special Presort	18%	USPS-T-40 WP-13
14 Parcel Airlift	13%	USPS-T-39 WP-17 p2
15 Periodicals Applications	-1%	USPS-T-40 WP-13
16 Special Handling	221%	USPS-T-39 WP-17 p4
17 Standard (A) Presort	18%	USPS-T-40 WP-13
OTHER SERVICES		
18 Correction of Mailing Lists	18%	USPS-T-39 WP-17 p1
19 Furnishing Address Changes to Election Boards	18%	USPS-T-39 WP-17 p1
20 Merchandise Return Permit	18%	USPS-T-40 WP-13
21 On-Site Meter Setting	1.5%	USPS-T-39 WP-17 p2
22 Permit Imprint	18%	USPS-T-40 WP-13
23 ZIP-Coding of Mailing Lists	17%	USPS-T-39 WP-17 p4
24 Return Receipts	32%	USPS-T-40 WP-13
25 Restricted Delivery	0%	USPS-T-40 WP-13
26 Delivery Confirmation	New Service	USPS-T-40 WP-13

Test-Year After-Rates Cost Adjustments  
(\$000's, before contingency)

Line No.	Classification	CRA Roll Forward Costs (1)	Stamped Card Manu Cost (2)	Delivery Confirmation Costs (3)	CRA Roll Forward+ Del. Conf.+Stp. Cds (Cols 1 + 2 + 3) (4)	Adjustments by Pncing Witnesses (5)	Total Cost (Col 4 + Col. 5) (6)
	First Class Mail						
1	Single Letters & Parcels	12,492,466		7,584	12,500,050	157,789	12,657,839
2	Worksharing Letters	4,017,041		4,480	4,021,521	0	4,021,521
3	Total Letters	16,509,507		12,064	16,521,571	157,789	16,679,360
4	Single Cards	432,590	-4,540	380	428,430	0	428,430
5	Worksharing Cards	158,467		166	158,633	0	158,633
6	Total Cards	591,057	-4,540	546	587,063	0	587,063
7	Total First Class Mail	17,100,564	-4,540	12,610	17,108,634	157,789	17,266,423
8	Priority Mail	2,067,595		421	2,068,016	104,840	2,172,856
9	Express Mail	413,570		91	413,661	-4,498	409,163
10	Mailgrams	502		1	503	0	503
	Periodicals						
11	In County	80,424		130	80,554	0	80,554
12	Nonprofit	328,112		328	328,440	0	328,440
13	Classroom	12,627		10	12,637	0	12,637
14	Regular Rate	1,562,202		1,160	1,563,362	0	1,563,362
15	Total Periodicals	1,983,365		1,628	1,984,993	0	1,984,993
	Standard Mail A						
16	Single Piece	221,986		94	222,080	-222,080	0
17	Commercial Regular	5,361,440		3,893	5,365,333	-223,806	5,141,527
18	Commercial Enhanced CR	1,894,972		3,410	1,898,382	-31,667	1,866,715
19	Commercial Total	7,256,412		7,303	7,263,715	-255,473	7,008,242
20	Nonprofit	1,121,232		915	1,122,147	-25,538	1,096,609
21	Nonprofit Enhanced CR	128,015		212	128,227	-4,344	123,883
22	Nonprofit Total	1,249,247		1,127	1,250,374	-29,882	1,220,492
23	Total Standard Mail A	8,727,645		8,524	8,736,169	-507,435	8,228,734
	Standard Mail B						
24	Parcel Post	738,878		184	739,062	14,548	753,610
25	Bound Printed Matter	329,083		215	329,298	13,443	342,741
26	Special	254,953		115	255,068	-698	254,370
27	Library	48,595		20	48,615	10	48,625
28	Total Standard Mail B	1,371,509		534	1,372,043	27,303	1,399,346

Line No.	Classification	CRA Roll Forward Costs (1)	Stamped Card Manu. Cost (2)	Delivery Confirmation Costs (3)	CRA Roll Forward+ Del. Conf.+Stp. Cds (Cols 1 + 2 + 3) (4)	Adjustments by Pricing Witnesses (5)	Total Cost (Col. 4 + Col. 5) (6)
1	Free for the Blind, etc	31,451		14	31,465		31,465
2	International Mail	1,195,076		90	1,195,166		1,195,166
	Special Services						
3	Registry	75,985		33	76,018	0	76,018
4	Certified	326,161		516	326,677	-3,862	322,815
5	Insurance	41,205		19	41,224	6,303	47,527
6	COD	16,797		23	16,820	0	16,820
7	Money Orders	145,902		4	145,906	0	145,906
8	Stamped Envelopes	12,186		0	12,186		12,186
8a	Stamped Cards		4,540		4,540		4,540
8b	Delivery Confirmation					21,920	21,920
8c	BPRS					5,357	5,357
8d	Packaging Service					27,820	27,820
9	Special Handling	1,270		0	1,270		1,270
10	Post Office Box	589,953		1	589,954		589,954
11	Other *	155,139		28	155,167	13,469	168,636
12	Total Special Services	1,364,598	4,540	624	1,369,762	71,007	1,440,769
13	TOTAL	34,255,875	0	24,537	34,280,412	-150,993	34,129,419

\*In this Exhibit as originally filed, the entry at what is now page 2, line 11, column 5, was 56,144 and was for the items now shown individually on lines 8b, 8c, and 8d (with corrected entries, their total is now 55,097). The current entry in this location is for costs resulting from growth in Return Receipt and Restricted Delivery volumes between the base-year and the test-year; see source below.

Sources: (1) CRA Roll Forward Costs Exhibit USPS-15I, column 1  
(2) Stamped Card Manufacturing Cost Exhibit USPS-15H, p. 49  
(3) Delivery Confirmation Costs USPS-T-22, Worksheet C-2  
(5) Adjustments by Pricing Witnesses p 2, line 11: USPS-T-40, WP 14; all others my WP III

**Test-Year After-Rates Volume Adjustments**  
(000's)

Line No.	Classification	Volume Forecast (1)	Total Adjustments (2)	Total Volume (Col. 1 + Col. 2) (3)
	First Class Mail			
1	Single Letters & Parcels	54,413,387	104,415	54,517,802
2	Worksharing Letters	41,033,182	0	41,033,182
3	Total Letters	95,446,569	104,415	95,550,984
4	Single Cards	3,059,661	0	3,059,661
5	Worksharing Cards	2,463,385	0	2,463,385
6	Total Cards	5,523,046	0	5,523,046
7	Total First Class Mail	100,969,615	104,415	101,074,030
8	Priority Mail	1,087,829	64,584	1,152,413
9	Express Mail	63,410	-689	62,721
10	Mailgrams	4,757	0	4,757
	Periodicals			
11	In County	901,870	0	901,870
12	Nonprofit	2,161,077	0	2,161,077
13	Classroom	47,452	0	47,452
14	Regular Rate	7,147,574	0	7,147,574
15	Total Periodicals	10,257,973	0	10,257,973
	Standard Mail A			
16	Single Piece	161,574	-161,574	0
17	Commercial Regular	37,627,554	0	37,627,554
18	Commercial Enhanced CR	28,686,181	0	28,686,181
19	Commercial Total	66,313,735	0	66,313,735
20	Nonprofit	10,550,968	0	10,550,968
21	Nonprofit Enhanced CR	2,571,283	0	2,571,283
22	Nonprofit Total	13,122,251	0	13,122,251
23	Total Standard Mail A	79,597,560	-161,574	79,435,986
	Standard Mail B			
24	Parcel Post	231,879	2,782	234,661
25	Bound Printed Matter	561,718	13,024	574,742
26	Special	200,511	0	200,511
27	Library	28,709	19	28,728
28	Total Standard Mail B	1,022,817	15,825	1,038,642

Line No.	Classification	Volume Forecast (1)	Total Adjustments (2)	Total Volume (Col. 1 + Col. 2) (3)
1	USPS Penalty Mail	297,820		297,820
2	Free for the Blind, etc	56,390		56,390
3	International Mail	1,006,682		1,006,682
	Special Services			
4	Registry	14,288	0	14,288
5	Certified	293,118	-3465	289,653
6	Insurance	30,600	0	30,600
7	COD	3,886	0	3,886
8	Money Orders	236,570	0	236,570
9	Total Special Services	578,462	-3,465	574,997
10	TOTAL	194,364,853	22,561	194,387,414

Sources: Volume Forecast Express and Priority Mail: Exhibit USPS-8A, Other: Exh USPS-6A  
Total Adjustments: WP V

DOMESTIC MAIL FEES DISTRIBUTION TO SUBCLASS  
FISCAL YEAR 1998 BEFORE RATES  
(\$ in 000)

USPS-T-30  
W/P I  
Page 1 of 3  
Revised 8-22-97

		Letters		Cards			
				Private			
Line No.	First Class	Single	Worksharing	Postal	Single	Worksharing	Total
1	Pieces (millions)	54,394	41,507	595	2,547	2,552	101,594
2	Percent of Pieces	53.54%	40.86%	0.59%	2.51%	2.51%	100.00%
3	Address Correction	14,516	11,076	159	680	681	27,111
4	Business Reply	112,385	—	—	6,039	—	118,424
5	Cert. of Mailing	2,926	513	32	137	32	3,640
6	Presort Permit Fee	—	4,883	—	—	300	5,183
7	Total	129,827	16,473	191	6,855	1,013	154,359
Priority Mail							Total
8	Address Correction						68
9	Business Reply						686
10	Cert. of Mailing						306
11	Total						1,060
Periodicals		Within County	Nonprofit	Classroom		Regular Rate	Total
12	Pieces (millions)	911	2,187	51		7,173	10,322
13	Percent of Pieces	8.83%	21.19%	0.50%		69.49%	100.00%
14	Address Correction	1,793	4,303	101		14,113	20,309
15	Application Fees	68	164	4		539	775
16	Total	1,861	4,467	105		14,651	21,084
Standard Mail A		Single Piece		Bulk	Regular	Nonprofit	Total
17	Pieces (millions)	166			66,783	13,255	80,038
18	Percent of Bulk Pieces				83.44%	16.56%	100.00%
19	Address Correction	3,542			32,132	6,376	42,052
20	Bulk Permit Fee				38,164	29,626	67,790
21	Cert. of Mailing	12			0	0	12
22	Special Handling	21			—	—	21
23	Total	3,575			70,297	36,004	109,876
Standard Mail B			Parcel Post	Bound Printed Matter	Special Rate	Library Rate	Total
24	Pieces (millions)		242	568	201	30	1,040
25	Percent of Pieces		23.22%	54.59%	19.28%	2.91%	100.00%
26	Address Correction		153	403	96	32	684
27	Cert. of Mailing		10	24	3	1	44
28	Presort Permit		—	—	77	—	77
29	Special Handling		323	0	71	25	420
30	Parcel Airlift		79	—	—	—	79
31	Total		565	427	253	59	1,304
International							Total
32	Cert. of Mailing						11
33	Special Handling						0
34	Other						0
35	Total						11
36	GRAND TOTAL FEES						291,268

Summary of Revenues  
Fiscal Year 1998 Before Rates  
(thousands)

USPS-T-30  
W/P 1  
Page 2 of 3  
Revised 8-22-97

Line No.	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	First-Class Mail					
2	Letters - Single	54,394,309	21,434,580	129,827	21,564,407	0.396446
3	Automated and Carrier Route Letters	36,137,599	9,336,882	0	9,336,882	0.258370
4	Non-Automated Presort Letters	5,369,390	1,750,498	0	1,750,498	0.326014
5	Total Worksharing	41,506,989	11,087,380	18,473	11,103,853	0.267518
6	Total Letters	95,901,298	32,521,960	146,300	32,668,260	0.340645
7	Postal Cards	594,894	118,979	191	119,170	0.200321
8	Post Cards - Single	2,546,540	522,945	6,855	529,800	0.208047
9	Automated and Carrier Route Post Cards	1,907,951	293,988	0	293,988	0.154086
10	Non-Automated Presort Cards	643,732	115,872	0	115,872	0.180000
11	Total Worksharing Cards	2,551,683	409,860	1,013	410,873	0.161020
12	Total Cards	5,693,117	1,051,784	8,059	1,059,843	0.186162
13	Business Reply Fees	0	118,424	(118,424)	0	
14	Domestic Mail Fees	0	35,935	(35,935)	0	
15	Total First Class	101,594,415	33,728,103	(0)	33,728,103	0.331988
16	Priority Mail					
17	Priority Mail	1,123,760	3,977,701	1,060	3,978,761	3.540579
18	Domestic Mail Fees	0	1,060	(1,060)	0	
19	Total Priority	1,123,760	3,978,761	0	3,978,761	3.540579
20	Express Mail	64,377	833,065	0	833,065	12.940414
21	Mailgrams	4,757	4,676	0	4,676	0.983006
22	Periodicals					
23	In-County	911,204	60,725	1,661	62,586	0.090634
24	Outside County					
25	Nonprofit	2,186,677	330,404	4,467	334,871	0.153141
26	Classroom	51,194	10,472	105	10,577	0.206601
27	Regular-Rate	7,172,571	1,617,474	14,651	1,632,125	0.227551
28	Domestic Mail Fees	0	21,084	(21,084)	0	
29	Total Periodicals	10,321,646	2,060,159	(0)	2,060,159	0.199596
30	Standard Mail A					
31	Single-Piece Rate	165,695	153,931	3,575	157,506	0.950579
32	Commercial					
33	Regular	34,359,008	7,156,562	36,167	7,192,729	0.209340
34	Enhanced Carrier Route	32,424,240	4,688,146	34,130	4,722,276	0.145640
35	Total Commercial	66,783,248	11,844,708	70,297	11,915,005	0.178413
36	Nonprofit					
37	Nonprofit	10,123,229	1,137,763	27,497	1,165,260	0.115108
38	Enhanced Carrier Route	3,131,995	253,284	8,507	261,791	0.083586
39	Total Nonprofit	13,255,224	1,391,047	36,004	1,427,051	0.107659
40	Bulk Mailing Fees	0	67,790	(67,790)	0	
41	Domestic Mail Fees	0	42,064	(42,064)	0	
42	Special Handling	0	21	(21)	0	
43	Total Standard Mail A	80,204,167	13,499,562	0	13,499,562	0.168315

Summary of Revenues  
Fiscal Year 1998 Before Rates  
(thousands)

USPS-T-30  
W/P I  
Page 3 of 3  
Revised 8-22-97

Line No.	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	Standard Mail B					
2	Parcel Post					
3	Inter-BMC	55,256	168,652	0	168,652	3.052185
4	Intra-BMC	186,343	568,753	0	568,753	3.052185
5	Total Parcel Post	241,599	737,405	565	737,970	3.054523
6	Bound Printed Matter	567,896	492,859	427	493,286	0.868620
7	Special Rate	200,562	353,685	253	353,938	1.764731
8	Library Rate	30,245	48,209	56	48,267	1.595877
9	Domestic Mail Fees	0	805	(805)	0	
10	Special Handling	0	420	(420)	0	
11	PAL Fees	0	79	(79)	0	
12	Total Standard Mail B	1,040,302	1,633,461	0	1,633,461	1.570179
13	Total USPS Penalty Mail	297,820	0	0	0	
14	Free-for-the-Blind	56,390	0	0	0	
15	Total Domestic Mail	194,707,634	55,737,787	0	55,737,787	0.286264
16	International					
17	Postage	1,025,247	1,373,547	11	1,373,558	1.339733
18	Terminal & Transit	0	252,000	0	252,000	
19	Fees, etc	0	11	(11)	0	
20	Total	1,025,247	1,625,558	0	1,625,558	1.585528
21	Total All Mail	195,732,881	57,363,344	0	57,363,344	0.293070
22	Special Services					
23	Registry	16,195	91,928	0	91,928	5.676320
24	Certified Mail	304,153	410,607	0	410,607	1.350001
25	Insurance	31,438	64,816	0	64,816	2.061709
26	COD	3,936	16,287	0	16,287	4.137957
27	Special Delivery	0	0	0	0	0.000000
28	Money Orders	236,661	237,331	62,020	299,351	1.264894
29	Stamped Envelopes	460,000	13,843	0	13,843	0.030094
30	Box/Caller Service	15,894	611,375	0	611,375	38.466887
31	Subtotal	1,068,277	1,446,188	(62,020)	1,384,168	1.295702
32	Other *	N/A	301,695	0	301,695	N/A
33	Total	1,068,277	1,747,883	0	1,747,883	1.636170
34	Total Mail & Services	195,732,881	59,111,227	0	59,111,227	0.301999
35	Other Income	0	215,531	0	215,531	
36	Appropriations	0	67,274	0	67,274	
37	Investment Income	0	33,580	0	33,580	
38	Total, all items	195,732,881	59,427,612	0	59,427,612	0.303616

\* Includes Return Receipts and Restricted Delivery

Sources:

Mail Volumes Express & Priority, Exhibit USPS-8A, all other Exhibit USPS-6A  
Postage: First-Class USPS-T-32, W/P I, pp 5-6  
Periodicals Regular, USPS-T-34, WP RR-E, p1  
Within County USPS-T-34, WP WC-D, p1  
Standard A, USPS-T-36, W/P I, pp 6-7, W/P II, pp 6-7  
Parcel Post USPS-T-37, W/P II C, p 1  
Other Income:

Express & Priority USPS-T-33, Tables 2 & 6  
Nonprofit USPS-T-35, W/P E, p1  
Classroom USPS-T-35, W/P E, p2

BPM, Spec., Lib., USPS-T-38, WP BPM1, Lib1, SR1  
Appropriations USPS-9E, Invest. Inc. USPS-9G

Fees:

Insurance, Cert. of Mailing, Restricted Del., Return Receipt, Applications, & Permits USPS-T-40, WP13  
All Other, USPS-T-39, WP 1-17

DOMESTIC MAIL FEES DISTRIBUTION TO SUBCLASS  
FISCAL YEAR 1998 AFTER RATES  
(\$ in 000)

USPS-T-30  
W/P II  
Page 1 of 3  
Revised 8-22-97

Line No	First Class	Letters		Cards		Total
		Single	Worksharing	Postal	Private	
1	Pieces (millions)	54,518	41,033	583	2,477	101,074
2	Percent of Pieces	53.94%	40.60%	0.58%	2.45%	100.00%
3	Address Correction	14,548	10,950	156	661	26,972
4	Business Reply	120,206	---	---	6,459	126,665
5	Prepaid Reply	4,767	---	---	1,004	5,772
6	Cert. of Mailing	3,396	573	36	154	4,195
7	Presort Permit Fee	---	5,725	---	---	6,059
7	Total	142,918	17,249	192	8,278	169,673
	Priority Mail	394				Total
8	Address Correction					70
9	Business Reply					543
10	Cert. of Mailing					343
11	Total					955
	Periodicals	Within County	Nonprofit	Classroom	Regular Rate	Total
12	Pieces (millions)	902	2,161	47	7,148	10,258
13	Percent of Pieces	8.79%	21.07%	0.46%	69.68%	100.00%
14	Address Correction	1,775	4,252	93	14,064	20,184
15	Application Fees	67	162	4	535	767
16	Total	1,842	4,414	97	14,598	20,951
	Standard Mail A	Single Piece		Bulk		Total
				Regular	Nonprofit	
17	Pieces (millions)	0		66,314	13,122	79,436
18	Percent of Bulk Pieces			83.48%	16.52%	100.00%
19	Address Correction	0		31,906	6,314	38,220
20	Bulk Permit Fee			44,564	34,504	79,068
21	Cert. of Mailing	0		1	0	1
22	Special Handling	0		---	---	0
23	Total	0		76,491	40,818	117,309
	Standard Mail B	Parcel Post	Bound Printed Matter	Special Rate	Library Rate	Total
24	Pieces (millions)	235	575	201	29	1,039
25	Percent of Pieces	22.59%	55.34%	19.31%	2.77%	100.00%
26	Address Correction	148	408	96	31	682
27	Cert. of Mailing	11	27	9	1	49
28	Presort & DBMC Permits	17	---	91	---	108
29	Special Handling	1,004	1	228	77	1,310
30	Parcel Airlift	74	---	---	---	74
31	Total	1,255	435	425	109	2,223
	International					Total
32	Cert. of Mailing					11
33	Special Handling					0
34	Other					0
35	Total					11
36	GRAND TOTAL FEES					311,122

Summary of Revenues  
Fiscal Year 1998 After Rates  
(thousands)

USPS-T-30  
W/P II  
Page 2 of 3  
Revised 8-22-97

Line No	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	First-Class Mail					
2	Letters - Single	54,517,802	22,005,841	142,918	22,148,759	0 406267
3	Automated and Carrier Route Letters	36,177,775	9,784,535	0	9,784,535	0 270457
4	Non-Automated Presort Letters	4,855,407	1,664,226	0	1,664,226	0 342757
5	Total Worksharing	41,033,182	11,448,761	17,249	11,466,010	0 279433
6	Total Letters	95,550,984	33,454,602	160,167	33,614,769	0 351799
7	Stamped Cards	583,005	122,431	192	122,623	0 210329
8	Post Cards - Single	2,476,656	530,111	8,278	538,389	0 217386
9	Automated and Carrier Route Post Cards	1,796,361	300,196	0	300,196	0 167113
10	Non-Automated Presort Cards	667,024	126,735	0	126,735	0 190001
11	Total Worksharing Cards	2,463,385	426,931	1,036	427,967	0 173731
12	Total Cards	5,523,046	1,079,473	9,506	1,088,979	0 197170
13	Business Reply & Prepaid Reply Fees	0	132,437	(132,437)	0	
14	Domestic Mail Fees	0	37,236	(37,236)	0	
15	Total First Class	101,074,030	34,703,748	(0)	34,703,748	0 343350
16	Priority Mail					
17	Priority Mail	1,152,413	4,351,738	955	4,352,693	3 777027
18	Domestic Mail Fees	0	955	(955)	0	
19	Total Priority	1,152,413	4,352,693	0	4,352,693	3 777027
20	Express Mail	62,721	841,217	0	841,217	13 412109
21	Mailgrams	4,757	4,676	0	4,676	0 983006
22	Periodicals					
23	In-County	901,870	81,823	1,842	83,665	0 092768
24	Outside County					
25	Nonprofit	2,161,077	338,217	4,414	342,631	0 158547
26	Classroom	47,452	10,443	97	10,540	0 222117
27	Regular-Rate	7,147,574	1,674,347	14,598	1,688,945	0 236296
28	Domestic Mail Fees	0	20,951	(20,951)	0	
29	Total Periodicals	10,257,973	2,125,781	0	2,125,781	0 207232
30	Standard Mail A					
31	Single-Piece Rate	0	0	0	0	0 000000
32	Commercial					
33	Regular	37,627,555	7,978,643	43,402	8,022,045	0 213196
34	Enhanced Carrier Route	28,686,181	4,270,915	33,089	4,304,004	0 150038
35	Total Commercial	66,313,736	12,249,558	76,491	12,326,049	0 185875
36	Nonprofit					
37	Nonprofit	10,550,968	1,318,613	32,820	1,351,433	0 128086
38	Enhanced Carrier Route	2,571,283	193,410	7,998	201,408	0 078330
39	Total Nonprofit	13,122,251	1,512,023	40,818	1,552,841	0 118336
40	Bulk Mailing Fees	0	79,088	(79,088)	0	
41	Domestic Mail Fees	0	38,221	(38,221)	0	
42	Special Handling	0	0	0	0	
43	Total Standard Mail A	79,435,987	13,878,890	0	13,878,890	0 174718

*Summary of Revenues*  
Fiscal Year 1998 After Rates  
(thousands)

USPS-T-30  
W/P II  
Page 3 of 3  
Revised 8-22-97

Line No.	Mail Service	Mail Volume	Postage	Fees	Postage & Fees (Col 2 + Col 3)	Revenue Per Piece (Col 4/Col 1)
		(1)	(2)	(3)	(4)	(5)
1	Standard Mail B					
2	Parcel Post	234,660	781,661	1,255	782,916	3 336377
3	Bound Printed Matter	574,742	524,173	435	524,608	0 912772
4	Special Rate	200,511	351,905	425	352,330	1 757161
5	Library Rate	28,728	52,318	109	52,427	1,824977
6	Domestic Mail Fees	0	839	(839)	0	
7	Special Handling	0	1,310	(1,310)	0	
8	PAL Fees	0	74	(74)	0	
9	Total Standard Mail B	1,038,641	1,712,281	0	1,712,281	1.648579
10	Total USPS Penalty Mail	297,820	0	0	0	
11	Free-for-the-Blind	56,390	0	0	0	
12	Total Domestic Mail	193,380,731	57,619,286	(0)	57,619,286	0.297958
13	International					
14	Postage	1,006,682	1,391,833	11	1,391,844	1.382605
15	Terminal & Transit	0	252,000	0	252,000	
16	Fees, etc.	0	11	(11)	0	
17	Total	1,006,682	1,643,844	0	1,643,844	1.632933
18	Total All Mail	194,387,413	59,263,130	(0)	59,263,130	0.304871
19	Special Services					
20	Registry	14,288	122,606	0	122,606	8.581047
21	Certified Mail	289,653	448,962	0	448,962	1.550000
22	Insurance	30,600	74,453	0	74,453	2.433105
23	COD	3,886	18,024	0	18,024	4 638188
24	Special Delivery	0	0	0	0	0 000000
25	Money Orders	236,570	237,240	61,996	299,236	1.264894
26	Stamped Envelopes	459,105	16,008	0	16,008	0 034869
26a	Stamped Cards	583,005	11,660	0	11,660	0 020000
26b	Delivery Confirmation	66,608	23,563	0	23,563	0 353759
26c	BPRS	4,783	8,370	0	8,370	1.750028
26d	Packaging Service	2,800	34,705	0	34,705	12 394643
27	Box/Caller Service	15,073	683,362	0	683,362	45 337342
28	Subtotal	1,706,371	1,678,954	(61,996)	1,616,958	0 947600
29	Other *	N/A	370,652	0	370,652	N/A
30	Total	1,706,371	2,049,606	0	2,049,606	1.201149
31	Total Mail & Services	194,387,413	61,312,735	(0)	61,312,735	0 315415
32	Other Income**	0	217,242	0	217,242	
33	Appropriations	0	67,498	0	67,498	
34	Investment Income	0	54,371	0	54,371	
35	Total, all items	194,387,413	61,651,846	(0)	61,651,846	0 317160

\* Includes Return Receipts, Restricted Delivery.

\*\* Includes \$1,711 income from increased fees for Other Services listed on lines 18-23 of Exhibit USPS-30C, see USPS-T-40, WP 14

Sources

Mail Volumes. Exhibit USPS-30G

Postage	First-Class: USPS-T-32, W/P 1, pp 5-6	Express & Priority, USPS-T-33, Tables 3 & 6
	Periodicals, Regular: USPS-T-34, WP RR-J, p1.	Nonprofit: USPS-T-35, WP J, p1.
	Within County: USPS-T-34, WP WC-G, p1.	Classroom: USPS-T-35, WP N, p1
	Standard A: USPS-T-36, WP I, pp 622-23, WP II, pp 28-29	
	Parcel Post: USPS-T-37, WP II C, p 1	BPM, Spec., Lib: USPS-T-38, WP BPM1, Lib1, SR1
	Other Income, WP I + USPS-T-40, WP 14	Appropriations: USPS-9E, Invest Inc. USPS-9G
Fees:	Insurance, Cert. of Mailing, Restricted Del., Return Receipt, Del Conf., Applications, & Permits: USPS-T-40, WP13	
	All Other: USPS-T-39, WP 1-17	

**Test-Year After-Rates Cost Adjustments - Supporting Detail**  
**(\$000s, before contingency)**

USPS-T-30  
W/P III  
Revised 8-22-97

Line	Classification	Delivery Confirm- ation	Pack'g Service	Std A Single Piece	Parcel/ Spec. Serv. Reform	Standard Serv. (A)	Hazmat	Total	Source
<b>First Class Mail</b>									
1	Single Letters/Parcels	-30,653	0	192,549	0	0	-4,107	157,789	USPS-T-32 WP I p3, p9
2	Worksharing Letters	0	0	0	0	0	0	0	
3	Total Letters	-30,653	0	192,549	0	0	-4,107	157,789	
4	Single Cards	0	0	0	0	0	0	0	(Exh.USPS-15H, pp. 49, my Exh. F footnote)
5	Worksharing Cards	0	0	0	0	0	0	0	
6	Total Cards	0	0	0	0	0	0	0	
7	Total First Class	-30,653	0	192,549	0	0	-4,107	157,789	
8	Priority Mail*	78,949	1,776	24,174	0	0	-59	104,840	USPS-T-33 p23, lines 26+27,23,20,30
9	Express Mail*	-5,029	532	0	0	0	0	-4,498	USPS-T-33 p13, lines 16, 19
10	Mailgrams	0	0	0	0	0	0	0	
<b>Periodicals</b>									
11	In County	0	0	0	0	0	0	0	
12	Nonprofit	0	0	0	0	0	0	0	
13	Classroom	0	0	0	0	0	0	0	
14	Regular Rate	0	0	0	0	0	0	0	
15	Total Periodicals	0	0	0	0	0	0	0	
<b>Standard Mail A</b>									
16	Single Piece	0	0	-222,080	0	0	0	-222,080	USPS-T-32 WP I p3
17	Comm. Regular	0	0	0	0	-223,806	0	-223,806	USPS-T-36 WP1 p24
18	Comm. Enhanced CR	0	0	0	0	-31,667	0	-31,667	USPS-T-36 WP1 p24
19	Commercial Total	0	0	0	0	-255,473	0	-255,473	
20	Nonprofit	0	0	0	0	-25,538	0	-25,538	USPS-T-36 WP2 p34
21	Nonprofit Enhanced CR	0	0	0	0	-4,344	0	-4,344	USPS-T-36 WP2 p34
22	Nonprofit Total	0	0	0	0	-29,882	0	-29,882	
23	Total Standard A	0	0	-222,080	0	-285,355	0	-507,435	
<b>Standard Mail B</b>									
24	Parcel Post	4,828	-248	0	10,998	0	-1,029	14,548	USPS-T-37 WP II.C p4
25	Bound Printed Matter*	0	0	0	13,443	0	0	13,443	USPS-T-38 WP BPM1, Final cost- Forecast cost
26	Special *	0	0	0	-698	0	0	-698	USPS-T-38 WP SR1, Final cost- Forecast cost
27	Library *	31	0	0	-21	0	0	10	USPS-T-38 WP Lib8
28	Total Standard B	4,859	-248	0	23,722	0	-1,029	27,303	
<b>Special Services</b>									
29	Registry	0	0	0	0	0	0	0	
30	Certified*	-3,866	4	0	0	0	0	-3,862	USPS-T-39 WP4 (volume), WP17 (unit cost)
31	Insurance	0	0	0	6,303	0	0	6,303	USPS-T-40 WP 15
32	COD	0	0	0	0	0	0	0	
33	Money Orders	0	0	0	0	0	0	0	
34	Delivery Confirmation	21,920						21,920	USPS-T-40 WP 5
35	BPRS	0	0	5,357	0	0	0	5,357	MC 97-4, Exh.USPS-2A
36	Packaging Service		27,820					27,820	MC97-5, Ex USPS-3C p1
37	Total Spec. Serv.	18,054	27,824	5,357	6,303	0	0	57,538	

\*The source documents for the costs in these rows include the contingency; the costs shown above are source costs divided by 1.01

**Test-Year After-Rates Volume Adjustments - Supporting Detail**  
(000s)

USPS-T-30

W/P V

8-22-97

Classification	Delivery Confirm- ation	Packaging Service	Standard A Single Piece	Parcel/ Spec Serv Reform	Standard (A)	Hazmat	Total	Source
First Class Mail								
Single Letters/Parcels	-33,700	0	139,798	0	0	-1,683	104,415	USPS-T-32 WP I p5,8-9
Worksharing Letters	0	0	0	0	0	0	0	
Total Letters	-33,700	0	139,798	0	0	-1,683	104,415	
Single Cards	0	0	0	0	0	0	0	USPS-T-32 WP I p5
Worksharing Cards	0	0	0	0	0	0	0	
Total Cards	0	0	0	0	0	0	0	
Total First Class	-33,700	0	139,798	0	0	-1,683	104,415	
Priority Mail	46,687	934	16,994	0	0	-31	64,584	USPS-T-33 p23
Express Mail	-771	82	0	0	0	0	-689	USPS-T-33 p13
Mailgrams	0	0	0	0	0	0	0	
Periodicals								
In County	0	0	0	0	0	0	0	
Nonprofit	0	0	0	0	0	0	0	
Classroom	0	0	0	0	0	0	0	
Regular Rate	0	0	0	0	0	0	0	
Total Periodicals	0	0	0	0	0	0	0	
Standard Mail A								
Single Piece	0	0	-161,574	0	0	0	-161,574	
Comm. Regular	0	0	0	0	0	0	0	
Comm. Enhanced CR	0	0	0	0	0	0	0	
Commercial Total	0	0	0	0	0	0	0	
Nonprofit	0	0	0	0	0	0	0	
Nonprofit Enhanced CR	0	0	0	0	0	0	0	
Nonprofit Total	0	0	0	0	0	0	0	
Total Standard A	0	0	-161,574	0	0	0	-161,574	
Standard Mail B								
Parcel Post	1,505	-62	0	1,527	0	-188	2,782	USPS-T-37 WP IIC p4
Bound Printed Matter	0	0	0	13,024	0	0	13,024	USPS-T-38 WP BPM 1
Special	0	0	0	0	0	0	0	USPS-T-38 WP SR 1
Library	19	0	0	0	0	0	19	USPS-T-38 WP Lib 1
Total Standard B	1,524	-62	0	14,551	0	-188	15,825	
Special Services								
Registry	0	0	0	0	0	0	0	
Certified	-3,469	4	0	0	0	0	-3,465	USPS-T-39 WP 4
Insurance	0	0	0	0	0	0	0	USPS-T-40 WP 13
COD	0	0	0	0	0	0	0	
Money Orders	0	0	0	0	0	0	0	
BPRS	0	0	4,783	0	0	0	4,783	USPS-2A-MC 97-4
Total Spec. Serv	-3,469	4	4,783	0	0	0	1,318	

## ERRATA TO USPS-T-39

Page 16, line 17: Replace "are" with "were"

Page 16, line 18: Replace "." with "," and replace "Other" with "other"

Page 25, line 10: Replace "carrier sequencing of address cards" with "address changes for election boards"

Page 29, line 4: Replace "propose" with "proposed"

Page 29, line 6: Replace "133" with "138"

Page 30, line 16: Replace "133" with "138"

Page 31, line 14: Replace "W/P 5" with "W/P 4"

Page 43, line 7: Replace "205" with "203"

Page 52, line 11: Replace "123" with "120"

Page 52, line 12: Replace "112" with "111"

Page 72, line 2: Replace "proposed" with "discussed"

Page 72, line 2: Replace "USPS-T-27" with "USPS-T-32"

Page 82, line 12: Replace "unit rising" with "rising unit"

Page 95, footnote 10: Insert "9 inch stamped envelopes and" after "include" and before "savings"

Page 100, line 9: Delete "H-107"

1 rather on whether or not the mailer had established a trust fund. In 1981, the  
2 per piece advance deposit fee increased 43 percent and the per piece non-  
3 advance fee increased 50 percent. In 1985, the per piece advance deposit fee  
4 increased 40 percent and the non-advance deposit fee increased 28 percent. In  
5 1988, a pre-barcoded (BRMAS) per piece fee was introduced for mailers using  
6 the advance deposit; the regular advance deposit per piece fee increased 14  
7 percent; and the non-advance deposit per piece fee increased 74 percent. In  
8 1991, the regular advance deposit per piece fee increased 13 percent and the  
9 pre-barcoded advance deposit per piece fee decreased 60 percent. As a result  
10 of Docket No. R94-1, in 1995 the regular advance deposit per piece fee  
11 increased 11 percent and the non-advance deposit per piece fee increased 10  
12 percent. A detailed fee history for BRM is presented in Library Reference H-  
13 187.

## 14

### 15 6. Fee Design

## 16

17 Based on cost information from witness Schenk (USPS-T-27), fees were  
18 designed for Qualified BRM, other advance deposit account BRM, and non-  
19 advance deposit account BRM applying small markups over costs. The resultant  
20 fees represent an increase to the current BRMAS (proposed Qualified) fee, and  
21 decreases to the current advance deposit BRM and the non-advance deposit  
22 account BRM. Additionally, based on other cost information from witness  
23 Schenk a small markup over cost was applied to develop the proposed

1           5. Pricing Criteria

2  
3           The proposed carrier sequencing of address cards fee is fair and  
4 equitable (Criterion 1). Carrier sequencing of address cards provides relatively  
5 high value to its users (Criterion 2). Proper sequencing ensures proper  
6 addressing by businesses. This proper addressing, in turn, provides the  
7 potential for increased business.

8  
9           A proposed 20-cent fee per correction maintains a simple fee structure  
10 and matches the proposed fees for address changes for election boards and  
11 correction of mailing lists, thus maintaining identifiable relationships between the  
12 fees for these services (Criterion 7). A criterion carefully considered in the  
13 design of the proposed fee was Criterion 6 - the degree of mail preparation by  
14 the mailer and the effect of the preparation on reducing costs for the Postal  
15 Service. By obtaining this service, mailers can prepare cleaner mail. This  
16 cleaner mail does reduce Postal Service costs. A markup over costs that is too  
17 high will dissuade more mailers from using the service (Criterion 4). As a result,  
18 less clean mail would be entered into the mailstream. Therefore, this fee was  
19 designed to make a contribution with as moderate a fee increase as practical  
20 given a full consideration of the pricing criteria.

---

corrections are made free-of-charge. Otherwise, an incorrect address would not be corrected free-of-charge.

## 6. Fee Design

The proposed certified mail fee was designed considering the pricing criteria with special emphases on the resultant cost coverage from the proposed fee and the effect of a fee increase on certified mail users. The proposed cost coverage of 138 percent for certified mail does not fully reflect its high value, but it does raise the certified mail cost coverage closer to where it should be, particularly when comparing it to certified mail cost coverages of the past.

## 7. Pricing Criteria

Certified mail provides a high value of service (Criterion 2) to both senders and recipients. It is an accountable service, and research has indicated that most certified mail users cite the accountability feature as a primary reason for using the service. A prestige factor associated with certified mail also contributes to its high value of service. Certified mail acquires prominence and additional importance due to the presence of a unique<sup>5</sup> label and certified number on the face of the mailpiece. Consequently, certified pieces are more likely to receive the recipient's prompt attention. Certified mail in conjunction with return receipt service is even more likely to catch the recipient's attention, as the importance of the recipient's receipt of the mailpiece to the sender is both recognized and accentuated. Addressees are more likely to open, read, and

1 respond to certified pieces, since their attention is diverted from other  
2 responsibilities and focused instead on the mailpiece, once the clerk or carrier  
3 asks for a signature on the delivery notice and the return receipt, if applicable.  
4 In addition, the fact that certified mail, particularly in conjunction with return  
5 receipt service, offers proof of delivery is indicative of a high value service.  
6 Further, certified mail's own price elasticity of -0.29 (see USPS-T-6) is evidence  
7 of a high value of service.

8  
9 When combined with restricted delivery service (with or without return  
10 receipt service), certified mail also captures the recipient's attention. The  
11 importance of the recipient's receipt of the mailpiece to the sender is again  
12 highlighted.

13  
14 Certified mail revenue covers volume variable costs and makes a  
15 contribution to other Postal Service costs (Criterion 3). The proposed \$1.55 fee  
16 for certified mail would result in a cost coverage of 138 percent. This proposed  
17 cost coverage is not nearly as high as cost coverages for First-Class Mail or  
18 Priority Mail. In its Docket No. MC96-3 decision, the Commission stated,

19 "[a]bsent extenuating circumstances, the cost coverage for  
20 certified mail should be similar to the coverage for First-  
21 Class and Priority Mail since certified mail provides high  
22 value to both senders and recipients over and above the  
23 inherent high value of First-Class Mail."  
24

---

<sup>5</sup> Mail is not permitted to bear imitations of markings of official postal services, such as certified mail. Domestic Mail Manual section P022.4.2 (Issue 49).

1 PRC Op., MC96-3, p. 94. In the past, moreover, the Commission has  
2 recommended fees which it believed would produce a cost coverage for certified  
3 mail above the system average. Id. It is therefore reasonable to expect that  
4 certified mail, as a premium special service, would have a larger cost coverage.  
5 However, considering the recent fee increase in the certified mail fee, a more  
6 modest fee increase and cost coverage is being proposed in this proceeding  
7 (Criterion 4).

8  
9 As demonstrated in Docket No. MC96-3<sup>6</sup>, available alternatives to  
10 certified mail (Criterion 5) are all much more expensive than certified mail, and  
11 certified mail is considered roughly as convenient to use as these alternatives.  
12 In this proceeding however, a proposal for a new special service for delivery  
13 confirmation is anticipated to capture some certified mail volume. (See USPS-T-  
14 39, W/P 4.) If delivery confirmation is implemented, there will be a lower cost  
15 alternative to certified mail for certified mail customers not requiring a signature  
16 by the recipient.

17  
18 The proposed certified mail fee is simple (Criterion 7). An increase to  
19 \$1.55 would maintain a five-cent rounding constraint. Coupled with the  
20 proposed return receipt fee, the combined certified mail/return receipt fee would  
21 be an even \$3.00.

---

<sup>6</sup> Docket No. MC96-3, USPS-T-8, pp. 21-22.

## H. Money Orders

### 1. Proposal

The Postal Service is proposing no changes to the current money order fees. Since money orders are currently covering their costs and providing a substantial contribution with a 203 percent cost coverage, no changes to the fees are necessary. The proposed money order fees are fair and equitable. The fees easily recover the associated cost and maintaining the existing fee schedule avoids an impact on users. At the same time, the healthy cost coverage precludes the possibility of unfair competition for commercial alternatives. Table 8 below presents the current and proposed money order fees.

**Table 8 - Money Orders**

<u>Description</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Percentage Change from Current to Proposed Fee</u>
APO\FPO	\$0.30	\$0.30	0%
Domestic	\$0.85	\$0.85	0%
International	\$3.00	\$3.00	0%
Inquiry Fee	\$2.75	\$2.75	0%

1 current fees (Criterion 3). The proposed implicit cost coverage for a scheduled  
2 meter setting is 132 percent and the proposed implicit cost coverage for an  
3 unscheduled meter setting is 143 percent.

4  
5 The costs for additional meters and checking a meter in and out of  
6 service, as presented in Library Reference H-107, are higher than the current  
7 fees. The costs for these two services were marked up to deliberately result in  
8 smaller implicit cost coverages than for meter settings. This is because setting  
9 an additional meter or checking a meter in or out of service is an adjunct service  
10 once the initial trip is made to set a meter. The proposed implicit cost coverages  
11 for additional meters and checking a meter in or out of service are 120 percent  
12 and 111 percent, respectively, lower than the proposed implicit cost coverages  
13 for scheduled and unscheduled settings.

14  
15 Although 23 percent and 13 percent fee increases are proposed for  
16 additional meters and checking a meter in or out of service, respectively, these  
17 fee increases should not present any undue hardship on meter setting  
18 customers (Criterion 4). This is further bolstered by the consideration that no  
19 fee increases are being proposed for the two highest fee services in this special  
20 service.

21  
22 Criterion 6 was also considered in the development of these fees,  
23 particularly the effect upon reducing costs to the Postal Service. On-site meter

1           The high value of service (Criterion 2) from the proposed PRM service,  
2   as discussed in witness Fronk's testimony (USPS-T-32), applies to the permit  
3   fee. The permit is important to PRM users as a prerequisite for PRM.

4  
5           The proposed permit fee covers its costs and makes a modest  
6   contribution to other costs with a proposed 114 percent implicit cost coverage  
7   (Criterion 3). The effect of this fee on PRM mailers should not be burdensome,  
8   especially when considering that this new permit will enable customers to obtain  
9   a postage rate lower than the First-Class first-ounce rate with no per piece fee  
10   (Criterion 4). Based upon the aforementioned criteria, the proposed permit fee  
11   is fair and equitable (Criterion 1).

### 3. Volume Trends

Special handling volume has all but disappeared since Postal Reorganization. The 1970 special handling volume was 15 million pieces: in 1996, the volume was 67 thousand pieces. Throughout most of the 1970's special handling volume remained fairly constant, ranging between 13 to 15 million pieces annually. From 1978 to 1986 volume declined sharply, averaging 2 to 3 million pieces annually. From 1987 to the present, annual volume has continued to decline, remaining well below one million pieces. Special handling volume decreased 95 percent over the past 10 years and 78 percent over the past 5 years. From 1995 to 1996, special handling volume decreased 72 percent due to the substantial fee increase in 1995 to cover rising unit costs. A detailed volume history for special handling is presented in Library Reference H-187.

### 4. Revenue Trends

The revenue for special handling has declined significantly since Postal Reorganization. Throughout the 1970's, special handling revenue averaged approximately \$5 million annually. However, during the 1980's, revenue averaged \$2 million annually. Since 1990, annual special handling revenue has barely reached \$1 million in two of the years. Over the past 10 years, revenue decreased 76 percent and over the past 5 years, revenue decreased 34 percent.

R94-1, in 1995 the fees increased, on average, 12 percent. A detailed fee history for stamped envelopes is presented in Library Reference H-187.

## 6. Fee Design

Most significant to the design of the stamped envelope fees is the restructuring of the categories. Fundamental to this proposed restructuring were aggregations of costs for categories (see Library Reference H-107) that were used as guidelines in the fee development. For 6  $\frac{3}{4}$  inch and 10 inch sizes, both plain and printed box lots, costs for regular, window, precancelled regular, and precancelled window stamped envelopes were aggregated into four groups (6  $\frac{3}{4}$  inch plain, 6  $\frac{3}{4}$  inch printed, 10 inch plain, and 10 inch printed.)<sup>10</sup> The proposed fees represent the aggregate groupings and any markups over cost are minimal. It is important to note that the costs presented in Library Reference H-107 were used as a guideline for fee development. The costs presented in the test year after rates roll-forward are those used in the calculation of the overall stamped envelope cost coverage.

The fees for the household packs of 50 envelopes were also developed using the same structure as the aggregate cost groups presented in Library Reference H-107. The three new proposed fee groups are 6  $\frac{3}{4}$  inch household

---

<sup>10</sup> The printed and plain 10 inch groups both include 9 inch stamped envelopes and savings bond stamped envelopes and the plain 10 inch group additionally includes double window stamped envelopes.

1           3. Fee History

2

3           The fee for ZIP Coding of mailing lists has increased six times since  
4   Postal Reorganization. In 1978, the fee increased from its original fee of \$1.50  
5   to \$23.00, representing a 1,433 percent increase. In 1981, the fee increased 43  
6   percent; in 1985, the fee increased 9 percent; in 1988, the fee increased 17  
7   percent; and in 1991, the fee increased 29 percent. As a result of Docket No.  
8   R94-1, in 1995 the fee increased 11 percent. A detailed fee history for ZIP  
9   Coding of mailing lists is presented in Library Reference H-187.

10

11           4. Fee Design

12

13           The per-list fee for ZIP Coding of mailing lists was designed by both  
14   applying a reasonable markup over volume variable costs and by conforming to  
15   a \$10 rounding constraint. The proposed cost coverage for this service is 118  
16   percent.

17

18           5. Pricing Criteria

19

20           The value of ZIP Coding of mailing lists (Criterion 2) is relatively high for  
21   the users of this service. For businesses, properly ZIP Coded mail results in  
22   less returned mail and greater potential for increased business, as a larger  
23   audience is reached.

## ERRATA TO USPS-T-39 WORKPAPERS

WP-4: Replace "270,832" FY 1996 transactions with "269,730".

WP-4: Replace "283,248" test year after rates transactions with "289,653".

WP-4: Replace "438,879" test year after rates revenue with "448,962".

WP-4: Replace footnote 2 with "Forecast volume adjusted downward for delivery confirmation diversion (-3.469 million, Exhibit USPS-33R, page 2) and additional volume from packaging service (+4 thousand, Docket No. MC97-5, Exhibit USPS-3D, page 1.)"

WP-7: Replace "26,745" test year after rates outstanding money orders taken into revenue with "24,188".

WP-7: Replace "301,792" test year after rates grand total revenue with "299,235".

WP-10, page 2: Replace "1,529" caller service Group A FY 1996 box count with "1,507".

WP-10, page 2: Replace "1,529" caller service Group A test year before rates box count with "1,357".

WP-10, page 2: Replace "1,355" caller service Group A test year after rates box count with "1,229".

WP-10, page 2: Replace "764,281" caller service Group A test year before rates revenue with "678,554".

WP-10, page 2: Replace "745,415" caller service Group A test year after rates revenue with "675,788".

WP-10, page 2: Replace "1,392" caller service Group B FY 1996 box count with "1,373".

WP-10, page 2: Replace "1,392" caller service Group B test year before rates box count with "1,236".

WP-10, page 2: Replace "1,234" caller service Group B test year after rates box count with "1,119".

- WP-10, page 2: Replace "668,383" caller service Group B test year before rates revenue with "593,489".
- WP-10, page 2: Replace "678,870" caller service Group B test year after rates revenue with "615,698".
- WP-10, page 2: Replace "99,264" caller service Groups C & D FY 1996 box count with "97,899".
- WP-10, page 2: Replace "99,264" caller service Groups C & D test year before rates box count with "88,153".
- WP-10, page 2: Replace "88,006" caller service Groups C & D test year after rates box count with "79,813".
- WP-10, page 2: Replace "44,668,788" caller service Groups C & D test year before rates revenue with "39,669,056".
- WP-10, page 2: Replace "48,403,515" caller service Groups C & D test year after rates revenue with "43,897,064".
- WP-10, page 2: Replace "102,185 total caller FY 1996 box count with "100,770".
- WP-10, page 2: Replace "102,185" total caller test year before rates box count with "90,747".
- WP-10, page 2: Replace "90,596" total caller test year after rates box count with "82,161".
- WP-10, page 2: Replace "45,101,452" total caller test year before rates revenue with "40,941,098".
- WP-10, page 2: Replace "49,827,800" total caller test year after rates revenue with "45,188,550".
- WP-10, page 2: Replace "15,929,363" grand total FY 1996 box count with "15,927,948".
- WP-10, page 2: Replace "15,905,068" grand total test year before rates box count with "15,893,630".
- WP-10, page 2: Replace "15,081,264" grand total test year after rates box count with "15,072,829".

- WP-10, page 2: Replace "616,535,639" grand total test year before rates revenue with "611,375,285".
- WP-10, page 2: Replace "688,001,329" grand total test year after rates revenue with "683,362,079".
- WP-17, page1: Replace "283,148,000" certified mail after rates volume with "289,653,000".
- WP-17, page1: Replace "1.17" certified mail cost per piece with "1.13".
- WP-17, page 1: Replace "329,953,870 "certified mail total cost with "326,043,431".
- WP-17, page 1: Replace "438,879,000" certified mail after rates revenue with "448,962,000".
- WP-17, page 1: Replace "133.0%" certified mail cost coverage with "137.7%".
- WP-17, page 2: Replace "301,792,000" money order after rates revenue with "299,235,000".
- WP-17, page 2: Replace "204.8%" money order cost coverage with "203.1%".
- WP-17, page 2: Replace "1.275699" money order after rates revenue per piece with "1.264890".
- WP-17, page 2: Replace "0.9%" money order after rates percentage increase with "0.0%".
- WP-17, page 2: Replace "20.92" with "20.97", and "2,426,720" with "2,432,520" for on-site meter setting single meter costs.
- WP-17, page 2: Replace "22.97" with "23.03", and "183,760" with "184,240" for on-site meter setting emergency costs.
- WP-17, page 2: Replace "3.26" with "3.32", and "55,420" with "56,440" for on-site meter setting additional meter costs.
- WP-17, page 2: Replace "7.66" with "7.72", and "337,040" with "339,680" for on-site meter setting meter checked in or out of service costs.
- WP-17, page 2: Replace "16.23" with "16.29", and "3,002,940" with "3,012,880" for on-site meter setting total costs.

- WP-17, page 3: Replace "15,081,263" total boxes, caller service, reserve no. after rates volume with "15,072,829".
- WP-17, page 3: Replace "39.51" total boxes, caller service, reserve no. cost per piece with "39.53".
- WP-17, page 3: Replace "595,868,690" total boxes, caller service, reserve no. total cost with "595,853,540".
- WP-17, page 3: Replace "688,001,329" total boxes, caller service, reserve no. after rates revenue with "683,362,079".
- WP-17, page 3: Replace "115.5%" total boxes, caller service, reserve no. cost coverage with "114.7%".
- WP-17, page 3: Replace "45.619610" total boxes, caller service, reserve no. after rates revenue per piece with "45.337347".
- WP-17, page 3: Replace "662,657,091" total boxes, caller service, reserve no. before rates revenue with "611,375,285".
- WP-17, page 3: Replace "16,007,253" total boxes, caller service, reserve no. before rates volume with "15,893,630".
- WP-17, page 3: Replace "41.397302" total boxes, caller service, reserve no. before rates revenue per piece with "38.466688".
- WP-17, page 3: Replace "10.2%" total boxes, caller service, reserve no. after rates percentage increase with "17.9%".

## SPECIAL SERVICES

USPS-T-39

SPECIAL SERVICES  
CERTIFIED MAIL  
TEST YEAR 1998USPS-T-39  
WP-4  
REVISED  
8/22/97

	TRANSACTIONS (000)			REVENUES (\$000)				
	FY 1996	TEST YEAR BEFORE RATES	TEST YEAR AFTER RATES	FEES (\$)		BEFORE RATES CURRENT FEE	AFTER RATES PROPOSED FEE	PERCENT CHANGE 1/
				CURRENT	PROPOSED			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
SIC FEE	269,730	304,153	289,653 2/	\$1.35	\$1.55	410,607	448,962	14.81%

Denotes the percentage change from the current fee to the proposed fee, or (Column 5 - Column 4)/Column 4.

Forecast volume adjusted downward for delivery confirmation diversion (-3.469 million, Exhibit USPS-33R, page 2) and additional volume from packaging service (+4 thousand, Docket No. MC97-5, Exhibit USPS-3D, page 1).

SPECIAL SERVICES  
MONEY ORDERS  
TEST YEAR 1998

USPS-T-39  
WP-7  
REVISED  
8/22/97

	TRANSACTIONS (000s)					REVENUES (000)		8/22/97
		TEST YEAR	TEST YEAR	FEES (\$)		BEFORE RATES	AFTER RATES	
ALUE	FY 1996	BEFORE	AFTER	CURRENT	PROPOSED	VOLUME	VOLUME	PERCENT
		RATES	RATES			CURRENT FEE	PROPOSED FEE	CHANGE 1/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PO-FPO								
\$ 700	1,109	1,226	1,226	\$0.30	\$0.30	368	368	0.00%
DOMESTIC								
\$ 0 - 700	208,703	230,772	230,683	\$0.85	\$0.85	196,156	196,081	0.00%
INTERNATIONAL								
\$ 700	4,217	4,663	4,661	\$3.00	\$3.00	13,990	13,984	0.00%
COMM REDEEM INTERNATIONAL FOR ISSUE						188	188	
TOTAL INTERNATIONAL						14,177	14,172	
TOTAL (APO, DOM, INT)	214,029	236,661	236,570			210,513	210,433	
MONEY ORDER FLOAT						62,020	61,996	
STANDING MONEY ORDERS TAKEN INTO REVENUE						24,197	24,188	
QUIRY FEE	800	884	884	\$2.75	\$2.75	2,432	2,431	0.00%
RAND TOTAL						299,350	299,235	

Denotes the percentage change from the current fee to the proposed fee or (Column 5 - Column 4) / Column 4.

SPECIAL SERVICES  
POST OFFICE BOXES, CALLER SERVICE, AND RESERVE CALL NUMBER  
TEST YEAR 1998

USPS-T-39  
WP-10  
Page 2 of 2  
REVISED  
8/22/97

		BOX COUNT 1/			ANNUAL FEES (\$)		REVENUES		
		FY 1996	TEST YEAR BEFORE RATES	TEST YEAR AFTER RATES	CURRENT	PROPOSED	BEFORE RATES CURRENT FEE	AFTER RATES PROPOSED FEE	PERCENT CHANGE 2/
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
GROUP D									
BOX SIZE:	1	4,079,320	3,985,837	3,879,073	\$12.00	\$18.00	47,830,044	69,823,314	50.00%
	2	1,649,607	1,561,215	1,507,223	\$20.00	\$30.00	31,224,300	45,216,690	50.00%
	3	426,598	403,555	395,869	\$36.00	\$55.00	14,527,980	21,772,795	52.78%
	4	34,173	32,290	31,888	\$53.00	\$80.00	1,711,370	2,551,040	50.94%
	5	3,811	3,607	3,579	\$83.00	\$125.00	299,381	447,375	50.60%
TOTAL		6,193,509	5,986,504	5,817,632			95,593,075	139,811,214	
GROUP E									
BOX SIZE:	1-5	904,241	921,422	921,422	\$0.00	\$0.00	0	0	0.00%
TOTAL I-III		15,648,461	15,620,770	14,839,918			564,970,797	632,143,529	
CALLER SERVICE									
GROUP A		1,507	1,357	1,229	\$500.00	\$550.00	678,554	675,788	10.00%
GROUP B		1,373	1,236	1,119	\$480.00	\$550.00	593,489	615,698	14.58%
GROUPS C & D		97,890	88,153	79,813	\$450.00	\$550.00	39,669,056	43,897,064	22.22%
TOTAL CALLER		100,770	90,747	82,161			40,941,098	45,188,550	
RESERVED NUMBER		178,717	182,113	150,750	\$30.00	\$40.00	5,463,390	6,030,000	33.33%
GRAND TOTAL		15,927,948	15,893,630	15,072,829			611,375,285	683,362,079	

1/ USPS-T-24, Table 9B.

2/ Denotes the percentage change from the current fee to the proposed fee or (Column 5 - Column 4)/Column 4.

## SPECIAL SERVICES COST COVERAGES AND PERCENTAGE INCREASES

USPS-T-39  
WP-17  
Page 1 of 4  
REVISED  
8/22/97

Service	After Rates Volume 1/	Cost Per Piece 2/ (\$)	Total Cost 3/	After Rates Revenue 1/	Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece (Col 4/Col 1)	Before Rates Revenue 1/	Before Rates Volume 1/	Before Rates Revenue Per Piece (Col 7/Col 8)	After Rates Percentage Increase (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ess Changes to Election Boards	4,582,906	0.16	737,848	916,581	124.2%	0.200000	779,094	4,582,906	0.170000	17.6%
ess Correction - Manual	125,932,299	0.427	53,773,092	62,966,151		0.500000	65848908	132,410,518	0.497309	0.5%
ess Correction - Automated	115,029,997	0.12	13,803,600	23,005,998		0.200000	24374882	121,161,708	0.201176	-0.6%
al Address Correction	240,962,296	0.28	67,576,691	85,972,149	127.2%	0.356787	90223790	253,572,226	0.355811	0.3%
ness Reply Mail										
alified Prebarcoded	179,865,000	0.06	9,964,521	10,792,000		0.060001	10,607,000	530,373,000	0.019999	200.0%
er	432,032,000	0.07	30,587,866	34,563,000		0.080001	43,409,000	434,089,000	0.100000	-20.0%
advance	61,945,000	0.23	13,943,820	18,583,000		0.299992	27,390,000	62,251,000	0.439993	-31.8%
ounting Fee	137,000	276.93	37,939,410	41,098,000		299.985401	28,218,000	138,000	204.478261	46.7%
mit Fee	222,000	87.73	19,476,060	22,175,000		99.887387	18,971,000	112,000	169.383929	-41.0%
otal Business Reply Mail	673,842,000	0.17	111,911,676	127,211,000	113.7%	0.188785	128,595,000	1,026,713,000	0.125249	50.7%
er Sequencing of Address Cards	N/A	0.16	N/A	N/A	N/A	0.200000	N/A	N/A	0.170000	17.6%
ified Mail	289,653,000	1.13	326,043,431	448,962,000	137.7%	1.549999	410,607,000	304,153,000	1.350001	14.8%
ect On Delivery										
0.01 to \$50	2,204,000			8,817,000		4.000454	7,814,000	2,233,000	3.499328	14.3%
0.01 to 100	1,089,000			5,447,000		5.001837	4,966,000	1,103,000	4.502267	11.1%
0.01 to 200	452,000			2,713,000		6.002212	2,519,000	458,000	5.500000	9.1%
0.01 to 300	73,000			513,000		7.027397	483,000	74,000	6.527027	7.7%
0.01 to 400	30,000			240,000		8.000000	228,000	30,000	7.600000	5.3%
0.01 to 500	18,000			161,000		8.944444	154,000	18,000	8.555556	4.5%
0.01 to 600	9,000			93,000		10.333333	90,000	9,000	10.000000	3.3%
Notice of Nondelivery	0			0		0.000000	0	0	0.000000	0.0%
iteration of charges	0			0		0.000000	0	0	0.000000	0.0%
egistered C.O.D.	10,000			39,000		3.900000	34,000	10,000	3.400000	14.7%
Total C.O.D.	3,885,000	4.37	16,991,230	18,023,000	106.1%	4.639125	16,288,000	3,935,000	4.139263	12.1%
rection of Mailing Lists (Per Address)	3,582,801	0.16	576,831	716,560	124.2%	0.200000	609,076	3,582,801	0.170000	17.6%

## SPECIAL SERVICES COST COVERAGES AND PERCENTAGE INCREASES

USPS-T-39  
WP-17  
Page 2 of 4  
REVISED  
8/22/97

Service	After Rates Volume 1/	Cost Per Piece 2/ (\$)	Total Cost 3/	After Rates Revenue 1/	Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece (Col 4/Col 1)	Before Rates Revenue 1/	Before Rates Volume 1/	Before Rates Revenue Per Piece (Col 7/Col 8)	After Rates Percentage Increase (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Money Orders										
\$0.01 to \$700	230,683,000			196,081,000		0.850002	196,156,000	230,772,000	0.849999	0.0%
\$0.01 to \$700	1,226,000			368,000		0.300163	368,000	1,226,000	0.300163	0.0%
International	4,661,000			13,984,000		3.000215	13,990,000	4,663,000	3.000214	0.0%
Priority Fee	884,000			2,431,000		2.750000	2,432,000	884,000	2.751131	-0.0%
Total Money Orders	236,570,000	0.62	147,368,090	299,235,000 4/	203.1%	1.264890	299,350,000 4/	236,661,000	1.264889	0.0%
On-Site Meter Setting										
Single Meter	116,000	20.97	2,432,520	3,202,000		27.603448	3,202,000	116,000	27.603448	0.0%
Emergency	8,000	23.03	184,240	263,000		32.875000	263,000	8,000	32.875000	0.0%
Additional Meter	17,000	3.32	56,440	68,000		4.000000	55,000	17,000	3.235294	23.6%
Meter Checked In or Out of Service	44,000	7.72	339,680	378,000		8.590909	333,000	44,000	7.568182	13.5%
Total On-Site Meter Setting	185,000	16.29	3,012,880	3,911,000	129.8%	21.140541	3,853,000	185,000	20.827027	1.5%
Parcel Airlift Mail										
- 2 lbs.	31,109	N/A		13,999		0.449998	14,860	37,149	0.400011	12.5%
- 3 lbs.	5,540	N/A		4,709		0.850000	4,962	6,616	0.750000	13.3%
- 4 lbs.	10,971	N/A		14,263		1.300064	15,067	13,101	1.150065	13.0%
- over 4 lbs.	23,635	N/A		41,362		1.750032	43,748	28,224	1.550028	12.9%
Total Parcel Airlift Mail	71,255		N/A	74,333	N/A	1.043197	78,637	85,090	0.924163	12.9%
Office Boxes (semi-annual)										
Group A - Size 1	54,875			3,841,250		70.000000	3,462,192	72,129	48.000000	45.8%
Group A - Size 2	3,368			353,640		105.000000	333,000	4,500	74.000000	41.9%
Group A - Size 3	1,943			359,455		185.000000	323,072	2,524	128.000000	44.5%
Group A - Size 4	199			64,675		325.000000	58,564	242	242.000000	34.3%
Group A - Size 5	57			31,350		550.000000	28,842	69	418.000000	31.6%
Group B - Size 1	102,625			6,157,500		60.000000	5,466,516	124,239	44.000000	36.4%
Group B - Size 2	23,298			2,096,820		90.000000	1,969,110	29,835	66.000000	36.4%
Group B - Size 3	8,860			1,329,000		150.000000	1,203,328	10,744	112.000000	33.9%
Group B - Size 4	1,288			373,520		290.000000	338,554	1,553	218.000000	33.0%
Group B - Size 5	1,383			601,605		435.000000	563,952	1,516	372.000000	16.9%
Group C - Size 1	4,945,941			222,567,345		45.000000	211,645,080	5,291,127	40.000000	12.5%
Group C - Size 2	2,076,309			134,960,085		65.000000	129,914,432	2,239,904	58.000000	12.1%
Group C - Size 3	702,145			80,746,675		115.000000	77,244,232	742,733	104.000000	10.6%
Group C - Size 4	147,591			28,780,245		195.000000	27,269,568	158,544	172.000000	13.4%
Group C - Size 5	30,982			10,069,150		325.000000	9,557,280	33,185	288.000000	12.8%

## SPECIAL SERVICES COST COVERAGES AND PERCENTAGE INCREASES

 03/01-03/99  
 WP.17  
 Page 3 of 4  
 REVISED  
 8/22/97

Service	After Rates Volume 1/	Cost Per Piece 2/ (\$)	Total Cost 3/	After Rates Revenue 1/	Cost Coverage (Col 4/Col 3)	After Rates Revenue Per Piece (Col 4/Col 1)	Before Rates Revenue 1/	Before Rates Volume 1/	Before Rates Revenue Per Piece (Col 7/Col 8)	After Rates Percentage Increase (Col 6/Col 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Office Boxes (Continued)										
p D - Size 1	3,879,073			69,823,314		18.000000	47,830,044	3,985,837	12.000000	50.0%
p D - Size 2	1,507,223			45,216,690		30.000000	31,224,300	1,561,215	20.000000	50.0%
p D - Size 3	395,869			21,772,795		55.000000	14,527,980	403,555	36.000000	52.8%
p D - Size 4	31,888			2,551,040		80.000000	1,711,370	32,290	53.000000	50.9%
p D - Size 5	3,579			447,375		125.000000	299,381	3,607	83.000000	50.6%
				0		0.000000	0	921,422	0.000000	0.0%
p E - Sizes 1 to 5	921,422									
il Boxes, Caller Service, Reserve No.	15,072,829	39.53	595,853,540	683,362,079	114.7%	45.337347	611,375,285	15,893,630	38.466687	17.9%
id Reply Mail Permit Fee	477	87.73	41,847	47,700	114.0%	100.000000	0	0	0.000000	N/A
tered Mail										
red by Postal Insurance										
0.00 to \$100	764,000			5,694,000		7.452880	4,288,000	866,000	4.951501	50.5%
00.01 to 500	1,106,000			9,015,000		8.150995	6,770,000	1,254,000	5.398724	51.0%
00.01 to 1000	872,000			7,716,000		8.848624	5,781,000	988,000	5.851215	51.2%
00.01 to 2000	725,000			6,925,000		9.551724	5,178,000	822,000	6.299270	51.6%
00.01 to 3000	429,000			4,394,000		10.242424	3,280,000	486,000	6.748971	51.8%
00.01 to 4000	274,000			3,001,000		10.952555	2,236,000	311,000	7.189711	52.3%
00.01 to 5000	257,000			2,994,000		11.649805	2,228,000	291,000	7.656357	52.2%
00.01 to 6000	155,000			1,915,000		12.354839	1,423,000	176,000	8.085227	52.8%
00.01 to 7000	104,000			1,355,000		13.028846	1,006,000	118,000	8.525424	52.8%
00.01 to 8000	61,000			836,000		13.704918	621,000	69,000	9.000000	52.3%
00.01 to 9000	41,000			599,000		14.609756	444,000	47,000	9.446809	54.7%
00.01 to 10000	97,000			1,471,000		15.164948	1,090,000	110,000	9.909091	53.0%
00.01 to 11000	25,000			398,000		15.920000	295,000	28,000	10.535714	51.1%
00.01 to 12000	70,000			1,152,000		16.457143	852,000	79,000	10.784810	52.6%
00.01 to 13000	30,000			510,000		17.000000	377,000	33,000	11.424242	48.8%
00.01 to 14000	42,000			746,000		17.761905	552,000	47,000	11.744681	51.2%
00.01 to 15000	43,000			806,000		18.744186	595,000	49,000	12.142857	54.4%
00.01 to 16000	16,000			306,000		19.125000	226,000	18,000	12.555556	52.3%
00.01 to 17000	44,000			877,000		19.931818	647,000	50,000	12.940000	54.0%
00.01 to 18000	23,000			467,000		20.304348	345,000	26,000	13.269231	53.0%
00.01 to 19000	17,000			359,000		21.117647	265,000	19,000	13.947368	51.4%
00.01 to 20000	32,000			714,000		22.312500	526,000	37,000	14.216216	57.0%
00.01 to 21000	29,000			661,000		22.793103	487,000	33,000	14.757576	54.5%
00.01 to 22000	6,000			136,000		22.666667	100,000	7,000	14.285714	58.7%
00.01 to 23000	12,000			289,000		24.083333	213,000	13,000	16.384615	47.0%
00.01 to 24000	14,000			337,000		24.071429	248,000	15,000	16.533333	45.6%
00.01 to 25000	122,000			3,123,000		25.598361	2,298,000	138,000	16.652174	53.7%
ddling per \$1000	138,000			96,000		0.695652	70,000	156,000	0.448718	55.0%
omational - \$100	5,750,000			42,834,000		7.449391	32,259,000	6,517,000	4.949977	50.5%
omational - \$500	9,000			72,000		8.000000	54,000	10,000	5.400000	48.1%
omational - \$1000	9,000			83,000		9.222222	62,000	11,000	5.636364	63.6%

ERRATA TO USPS LIBRARY REFERENCE H-107 DOCKET NO. R97-1

<u>PAGE</u>	<u>LOCATION</u>	<u>CHANGE</u>
10	Column 2, line 3	"102,184" to "90,747"
10	Column 2, line 5	"44,045" to "39,115"
10	Column 2, line 6	"42,592" to "37,824"
10	Column 2, line 7	"1,453" to " 1,291"
10	Column 1&2, line 8	delete line 8
10	Footnote 3	"See Exhibit II" to "USPS-T-24, Page 18, as revised."
10	Footnote 4	"Docket No. R97-1, LR-C-5, page 8" to "Docket No. R80-1, LR-C-5, page 8."
10	Footnote 5	"USPS LR-SSR-104" to "(3) Divided by (4)"
10	Footnote 6	"USPS LR-SSR-104" to "USPS LR-H-77, Part 1, Page 61A, line 27."
10	Footnote 7	"Docket No. R97-1, LR-MCR-9, Part II Page 11." to "USPS LR-H-77, Part I, Page 62, line 42."
11	Column 2, line 1	"356,165" to "316,299"
11	Column 2, line 2	"4,863,103" to "4,318,781"
11	Column 2, line 3	"14,434,925" to "12,819,238"
11	Column 2, line 4	"19,654,192" to "17,454,318"
11	Column 2, line 5	"2,037,640" to "1,809,569"
11	Column 2, line 6	"6,048,233" to "5,371,261"
11	Column 2, line 7	"3,329,202" to "2,956,567"
11	Column 2, line 8	"31,069,268" to "27,591,715"
11	Column 2, line 9	"44,045" to "39,115"
11	Footnote 4	add "Part I, Page 61A, line 27."
11	Footnote 5	Docket No. R97-1,
12	Entire Page	Duplicate page replaced by blank page
13	Column 3, line 9	"102,184" to "90,747"
13	Footnote 1	"70,204/8,577" to "Total Minutes/Total Form 1901 Volume"
13	Footnote 2	"\$25.55/60 minutes" to "TY Productive Hourly Wage Rate/60 minutes"
13	Footnote 3	"Total number of callers times average number of separations." to "USPS-T-24, page 18, as revised."
14	Column 4, line 6	"37,824" to "42,592"
14	Column 4, line 7	"\$18,862,362" to "\$16,751,117"
14	Column 5, line 2	"\$4,753,315" to "\$4,221,281"
14	Column 6, line 2	"\$14,109,047" to "\$12,529,835"
14	Footnote 1	"10,159/254" to "Total Minutes/Total Firms."

ERRATA TO LR-H-107, PAGE 2 OF 2

<u>PAGE</u>	<u>LOCATION</u>	<u>CHANGE</u>
14	Footnote 2	"25.445/60" to "TY Hourly Wage Rate/60 minutes"
15	Column 4, line 6	"1,453" to "1,291"
15	Column 4, line 7	"435,666" to "386,902"
15	Column 4, line 8	"\$18,862,362" to "\$16,751,117"
15	Column 4, line 9	"\$19,298,028" to "\$17,138,018"
15	Column 5, line 2	"\$109,788" to "\$97,499"
15	Column 5, line 3	"\$4,753,315" to "\$4,221,281"
15	Column 5, line 4	"\$4,863,103" to "\$4,318,781"
15	Column 6, line 2	"\$325,878" to "\$289,403"
15	Column 6, line 3	"\$14,109,047" to "\$12,529,835"
15	Column 6, line 4	"\$14,434,925" to "\$12,819,238"
15	Footnote 1	"3,357/124" to "Total Minutes/Total Firms"
15	Footnote 2	"24.445/60" to "TY Hourly Wage Rate/60 minutes"
16	Column 2, line 3	"\$75.58637" to "\$75.59"
16	Column 2, line 4	"44,045" to "39,115"
16	Column 2, line 5	"3,329,202" to "2,956,567"
16	Footnote 1	add "Page 206"
16	Footnote 2	"Docket No. R97-1" to "Docket No. R80-1"
52	Column 1, line 5	"attributable" to "volume variable"
52	Column 1, line 41	"attributable" to "volume variable"
54	Column 2, line 3	"\$299.04" to "\$304.05"
54	Column 2, line 14	"\$20.92" to "\$20.97"
54	Column 2, line 15	"\$3.26" to "\$3.32"
54	Column 2, line 16	"\$22.97" to "\$23.03"
54	Column 2, line 17	"\$7.66" to "\$7.72"
56	Entire Page	Insert omitted page

Revised 8/22/97

Special Studies Update  
Caller Service

<u>Key Parameters</u>		<u>Test Year</u> <u>Before Rates</u>
Clerk & Mailhandlers Productive Hourly Rate - TY96 Before Rates		\$ 25.550 (1)
Facility Cost Mail Processing per Square Foot		\$ 18.44 (2)
Caller Numbers or Separations		90,747 (3)
Number of Separations per Caller		2.32 (4)
Total Number of Firms or Callers		39,115 (5)
Total Number of Large Firms	96.7%	37,824
Total Number of Small Firms	3.3%	1,291

Piggyback Factors

Piggyback Factor for Window Service w/o PO Boxes	1.419 (6)
Piggyback Factor Mail Processing Sorting to Hanging Sacks	1.419 (7)

Footnotes

- (1) USPS LR-H-146.
- (2) USPS LR-H-77, Part II-11, Page 206.
- (3) USPS-T-24, Page 18, as revised.
- (4) Docket No. R80-1, LR-C-5 page 8.
- (5) (3) divided by (4)
- (6) USPS LR-H-77, Part I, Page 61A, line 27.
- (7) USPS LR-H-77, Part I, Page 62, line 42.

Revised 8/22/97

Exhibit I  
Special Studies Update  
Caller Service

Summary of Annual Costs

<u>Function</u>	<u>Annual Cost</u>
1. Window Service Accounting Function	316,299 (1)
2. Window Service	4,318,781 (2)
Platform Delivery	<u>12,819,238 (3)</u>
Caller Service Total Direct Cost	17,454,318
Piggyback Cost Window 1.419 (4)	1,809,569
Piggyback Cost Mail Processing 1.419 (5)	5,371,261
3. Storage	<u>2,956,567 (6)</u>
Total	27,591,715
Number of Callers	39,115
Annual Cost per Caller	\$ 705.40
Separation per Caller	2.32
Annual Cost per Call Number or Separation	\$ 304.05

Footnotes

- (1) See Exhibit II
- (2) See Exhibit IIIB
- (3) See Exhibit IIIB
- (4) USPS LR-H-77, Part I, Page 61A, line 27.
- (5) USPS LR-H-77, Part I, Page 62, line 42.
- (6) See Exhibit IV

REVISED 8/22/97

THIS PAGE LEFT INTENTIONALLY BLANK.

Revised 8/22/97

Exhibit II  
Special Studies Update  
Caller Service

Determination of the Costs of Window Service - Accounting Functions

	<u>Form 1901's Volumes</u>	<u>Time Minutes</u>
1. Review Forms 1901's, 1901A's or B's (Register For Lockbox Rents or Caller Service Fees)		
- Post Notice 32's (Notice of Rent Due)		
- Answer Telephone & Inquiries for Rent Due		
- Enter Form 1538 Receipt Number and Amount of Payment on Form 1901, 1901A OR B When Rent Payment is Received	8,577	34,852
2. Collect Rent Payments from Customer and Prepare Form 1538 (Receipt for Box Rent and Caller Service Fee)		17,216
3. Prepare Form 1093 (Application for Post Office Box or Caller Number for New Customers)		8,736
4. Prepare Form 1091, Form 1091A or B for New Customer		9,400
Total	8,577	70,204
Average Time Per Separation		8.1851 (1)
Clerk Cost Per Minute		\$ 0.4258 (2)
Clerk Cost per Separation		\$ 3.4855
Total Number of Separations		90,747 (3)
Annual Window Service Accounting Costs		<u>\$ 316,299</u>

Footnotes:

- (1) Total Minutes/Total Form 1901 Volume.  
(2) TY Productive Hourly Wage Rate/60 minutes  
(3) USPS-T-24, page 18, as revised.

Revised 8/22/97

Exhibit III-A  
Caller Service

Determination of Window/Platform Delivery Cost  
for Large Firms

<u>Number of Pickups</u>	<u>Firms</u>	<u>Total Minutes</u>	<u>Average Minutes Per Pickup (Every 2 Weeks)</u>	<u>Window Delivery</u>	<u>Platform Delivery</u>
1st	157	6,832			
2nd	66	2,281			
3rd	22	809			
4th	9	237			
Total	254	10,159	40 (1)	25.20%	74.80%

Clerk Cost Per Minute (Hourly rate/60 minutes)	\$0.4258 (2)		
Window/Platform Delivery Cost per Two Weeks	\$ 17.03 (3)		
Number of Two Weeks per Year	26		
Annual Cost Per Firm	\$442.87		
Number of Large Firms	37,824		
Total Annual Cost for Large Firms	\$16,751,117	\$4,221,281	\$12,529,835

Footnotes

- (1) Total Minutes/Total Firms.  
(2) TY Hourly Wage Rate / 60 minutes  
(3) (1)\*(2)

Revised 8/22/97

Exhibit III-B  
Special Studies Update  
Caller Service

Determination of Window/Platform Delivery Cost

For Small Firms  
and Totals for All Firms

<u>Number of</u> <u>Pick-ups</u>	<u>Firms</u>	<u>Total</u> <u>Minutes</u>	<u>Average Minutes</u> <u>Per Pickup</u> <u>(Every 2 Weeks)</u>	<u>Window</u> <u>Delivery</u>	<u>Platform</u> <u>Delivery</u>
1st	84	2503			
2nd	27	665			
3rd	10	131			
<u>4th</u>	<u>3</u>	<u>58</u>			
Total	124	3357	27 (1)	25.20%	74.80%
Clerk Cost Per Minute (Hourly rate/60 minutes)			\$ 0.4258 (2)		
Window/Platform Delivery Cost per Two Weeks			\$ 11.53 (3)		
Number of Two Weeks per Year			26		
Annual Cost Per Firm			\$ 299.74		
Number of Small Firms			1,291		
Total Annual Cost for Small Firms			\$ 386,902	\$97,499	\$289,403
<u>Total Annual Cost Large Firms</u>			<u>\$16,751,117</u>	<u>\$4,221,281</u>	<u>\$12,529,835</u>
Total Annual Cost			\$ 17,138,018	\$4,318,781	\$12,819,238

Footnotes

- (1) Total Minutes/Total Firms  
(2) TY Hourly Wage Rate/60 minutes  
(3) (1) \*(2)

Revised 8/22/97

EXHIBIT IV

Special Studies Update  
Caller Service

Determination of Storage Cost

Facility Cost Mail Processing Cost Per Sq. Foot	\$	18.4357	(1)
Number of Square Feet Allocated per Firm		4.1	(2)
Annual Cost of Storage Per Firm	\$	75.59	(3)
Total Number of Firms		39,115	
Total Cost of Storage Per Year		<u>2,956,567</u>	

Footnotes

(1) USPS LR-H-77, Part II-11, Page 206.

(2) Docket No. R80-1, USPS LR-C-5, Exhibit IV, page 14.

(3) (1) \*(2)

SPECIAL STUDIES UPDATE  
ZIP CODING OF MAILING LIST

Revised 8/22/97

KEY PARAMETERS	FY 1985	TEST YEAR	
HOURLY WAGE RATE FOR CLERK/MAILHANDLER	\$16.98	\$25.45	[1]
MAIL PROCESSING PRODUCTIVITY RATE (PIECES PER HOUR)	923	923	
VOLUME VARIABLE COST FOR A PIECE OF USPS PENALTY MAIL	\$0.119	\$0.3129	
NUMBER OF CARDS TO BE SENT TO EACH POST OFFICE	28	28	
NUMBER OF NON LOCAL POST OFFICES ((1000/28)-1)	35	35	
PIGGYBACK FACTOR FOR MANUAL MAIL PROCESSING		1.574	[2]

I. DEVELOPMENT OF THE AVERAGE NUMBER OF ZIP SEPARATIONS/REQUEST

CAG	TOTAL ZIP'S USED	NUMBER OFFICES	PROBA	WEIGHTED AVG./CAG	( COL 1 * COL 3 / COL 2)	[3]
A	2066	37	0.3977	22.207		
B	1466	63	0.2047	4.763		
C	2374	260	0.3225	2.945		
D	364	82	0.0593	0.263		
E	125	36	0.0152	0.053		
F	9	3	0.0006	0.002		
TOTALS	6404	481	1.0000	30.233		

II. DEVELOPMENT OF COSTS FOR BUNDLING & LABELING OF ZIP CODED CARDS

A. CARDS TO BE BUNDLED & LABELED	1000
a. AVERAGE NUMBER OF SEPARATION	30
b. PIECES PER BUNDLE	33.30
B. BUNDLES BANDED PER HOUR	240
a. COST PER HOUR	\$25.45
b. COST PER BUNDLE	\$0.106
c. COST PER 1000 CARDS (30 BUND	\$3.18

III. COST SUMMARY : ZIP CODING OF MAILING LIST

COST ELEMEN	DIRECT LABOR	PIGGY PIGGYBACK FACTO COSTS	TOTAL VARIABLE COSTS (1000 CARDS)
OBTAIN CARDS, DISTRIBUTE, SWEEP POUCH	\$27.569	0.574	\$15.82
LABEL AND B	\$3.181	0.574	\$1.83
SUBTOTAL	\$30.750		\$17.65
RETURN POSTAGE			\$10.95
TOTAL VOLUME VARIABLE COST			\$59.35
			=====

FOOTNOTES:

- [1] CLERK/MAILHANDLER WAGE /MAIL PROCESSING, See USPS LR-H-146  
[2] Piggyback, See USPS LR-H-77

REVISED 8/22/97

ADDRESS CORRECTION SERVICE - MANUAL	\$0.427
ADDRESS CORRECTION SERVICE - AUTOMATED	\$0.120
CALLER SERVICE - ANNUAL COST PER SEPARATION	\$304.05
CERTIFICATE OF MAILING	
- FORM 3817, ORIGINAL (NO DUPLICATE)	\$0.490
- FORM 3877, ORIGINAL - 13 PIECES/COST PER PIECE	\$0.170
- FORM 3606, ORIGINAL - FIRST 1000 PIECES	\$2.51
EACH ADDITIONAL 1000 PCS.	\$0.250
CORRECTION OF MAILING LISTS	\$0.161
INSURANCE	
INSURANCE - NUMBERED	\$1.160
INSURANCE - UNNUMBERED	\$0.560
INSURANCE - COMBINED	\$0.900
INSURANCE-VOLUME VARIABLE COST DIFFERENTIAL	\$0.602
MERCHANDISE RETURN SERVICE	\$0.233
ON-SITE METER SETTING COSTS:	
SCHEDULED-FIRST METER	\$20.97
SCHEDULED/EMERGENCY-ADDITIONAL METER	\$3.32
EMERGENCY-FIRST METER	\$23.03
METER MFG. CHECK IN/OUT OF SERVICE	\$7.72

**B. PRINTED**

SINGLE UNIT

Filed 8/22/97  
BULK UNIT

## SIZE/ DESCRIPTION

10 AGGREGATED	N/A	\$16.58
6 3/4 AGGREGATED	N/A	\$15.03
10 HOLOGRAM	N/A	\$24.08

**C. PRINTED - 50 PACKS**

## SIZE/DESCRIPTION

10 AGGREGATE	N/A	\$2.48
6 3/4 AGGREGATE	N/A	\$2.26
10 HOLOGRAM	N/A	\$3.25

ZIP CODE OF MAILING LISTS

59.35

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
Susan M. Duchek

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990; Fax -5402  
August 22, 1997